



CHAPTER 1

AMERICANS
will always fight for liberty

CHAPTER 1

Counterintelligence In World War II

Introduction

President Franklin Roosevelt's confidential directive, issued on 26 June 1939, established lines of responsibility for domestic counterintelligence, but failed to clearly define areas of accountability for overseas counterintelligence operations. The pressing need for a decision in this field grew more evident in the early months of 1940. This resulted in consultations between the President, FBI Director J. Edgar Hoover, Director of Army Intelligence Sherman Miles, Director of Naval Intelligence Rear Admiral W.S. Anderson, and Assistant Secretary of State Adolf A. Berle.

Following these discussions, Berle issued a report, which expressed the President's wish that the FBI assume the responsibility for foreign intelligence matters in the Western Hemisphere, with the existing military and naval intelligence branches covering the rest of the world as the necessity arose. With this decision of authority, the three agencies worked out the details of an agreement, which, roughly, charged the Navy with the responsibility for intelligence coverage in the Pacific. The Army was entrusted with the coverage in Europe, Africa, and the Canal Zone. The FBI was given the responsibility for the Western Hemisphere, including Canada and Central and South America, except Panama.

The meetings in this formative period led to a proposal for the organization within the FBI of a Special Intelligence Service (SIS) for overseas operations. Agreement was reached that the SIS would act as a service agency, furnishing the State Department, the military, the FBI, and other governmental agencies with economic and political intelligence and also information on subversive activities detrimental to the security of the United States. It was also during this period that the President asked William Donovan to undertake several missions abroad. Donovan's work for the White House eventually led to the creation of the Office of Strategic Services (OSS) (see separate chapter on OSS in this volume).

With the creation of the Office of Coordinator of Information, the United States was technically provided with a central intelligence organization, coordinating and exchanging intelligence data with the older services. In practice, however, the well-intentioned plans did not prove adequate. The story of Pearl Harbor has often been told as an illustration of the shortcomings in the

intelligence system. Although Washington had ample information indicating that Japan would make an attack on Pearl Harbor, the utilization of this information may best be described as casual. (See the separate chapter on Magic, the decoding of the Japanese codes in this volume).

The end of World War II saw the new President, Harry S. Truman, abolish the OSS because he felt that there was no place for a wartime intelligence agency in a peacetime situation. Shortly thereafter he realized that he indeed needed a central intelligence organization to keep the president informed on world events. This ultimately led to the creation of the Central Intelligence Agency (CIA), the National Security Council (NSC) and the Air Force Office of Special Investigations (AFOSI).

In the midst of all this activity, the Army Security Agency, later renamed the National Security Agency (NSA), made a major breakthrough in decoding Soviet intelligence messages. This program became known as the VENONA project (see the separate chapter on VENONA in this volume). The VENONA decrypts and information supplied by two American operatives of Soviet intelligence, Elizabeth Bentley and Whittaker Chambers, opened American political and intelligence eyes to the massive Soviet effort to infiltrate the US Government. This massive espionage effort and Soviet domination of several governments in Eastern Europe led to the Cold War.

The Office of Naval Intelligence (ONI)¹

Storm on the Horizon

It is estimated that by 1940, there were no more than 1,000 people employed by organizations composing the US intelligence community. Of those, most were working as radio intercept operators, and, although national efforts were generally limited in scope and capability, a good deal of raw information was being collected nevertheless.

One particularly serious problem during this time resulted from the sad fact that there was no coordination between these agencies as each routinely worked totally independent of the others. There was no sharing of the intelligence product by agencies that established their own objectives and methods for collection, nor was there any effort to ensure essential coverage was afforded all matters bearing on US national security.

During this time, the president routinely received deficient information from several agencies, notably the Departments of State, Army, and Navy, because it was never produced by an integrated intelligence network that was capable of in-depth introspective analysis. It was precisely this disorganized system that failed to recognize the impending danger or protect our country from the devastating attack at Pearl Harbor.²

As had historically been the case, ONI suffered a rapid and continual rotation of naval officers through its ranks during the years immediately preceding the conflict as sea duty continued to remain more career-enhancing than service ashore. Management was not to be spared for between 1940 and 1945, there would be no fewer than seven different directors heading ONI. During 1940 and 1941, ONI relied heavily on 130 naval officers posted abroad as attaches or occupying certain other positions from which they could collect information. Unfortunately, this entire effort emphasized gathering obvious data about foreign ports, navies, and capabilities instead of the more sublime art of determining the intentions and plans of those particular nations. ONI not only failed

to collect the vital information that would signal turbulent times ahead for our nation, but it was also precluded from thoroughly analyzing the material it did develop.

That particular responsibility was solely conferred upon the more prestigious War Plans Division, which would invariably rate the worth of information solely on its potential use of fleet units if hostilities ever broke out.

If there was one bright spot among these woeful efforts prior to our declaration of war, it was assuredly in the field of military cryptanalysis. By 1939 and 1940, the Navy had made gains in breaking Japanese codes and ciphers although it was the Army's Signal Intelligence Service, which cracked that country's top diplomatic code enabling both services to decipher massive quantities of their communication. Assigned the code name "Magic," these collective message translations allowed the President, Army Chief of Staff George Marshall, and a small number of military officers access to high-quality information concerning Japanese military activities, diplomatic positions/policies, and, indirectly, certain items of information regarding their German ally.

This particular breakthrough served as a vital source of information throughout the war but was never exploited to maximum advantage because the final intelligence product was not shared with precisely those planners and policymakers at lower levels who could have used it to greater national advantage.

Perhaps the most serious shortfall was due to the fact this information was not analyzed in any depth or synthesized with material collected by independent sources and means. Undoubtedly there were countless hints of Japanese intentions, including their plan to attack Pearl Harbor, but the US intelligence effort proved itself incapable of separating meaningful clues from that which was irrelevant in the captured and deciphered traffic.

Contributing to Victory

Once the United States was finally forced into war, it was hard work and an indomitable spirit that could best explain how the Japanese Fleet Code was broken and the US Navy achieved a resounding victory at the crucial Battle of Midway fought on 4 June 1942.

Adm. Yamamoto devised a plan that employed a feigned attack against American forces guarding the Aleutian Island chain. It was his intention to drive American forces from the Pacific by drawing them northward toward the Aleutians while he captured the strategic island of Midway with a vastly overwhelming contingent.

Owing to the fact ONI had deciphered the Japanese Fleet Code, US Naval commanders knew and effectively countered every Japanese move, dealing them a resounding defeat with the loss of four Imperial aircraft carriers and a forced withdrawal from the area.

The Second World War precipitated the expansion of ONI with manpower and resources made available as never before. On the home front, ONI was directed to conduct personnel security inquiries, sabotage, espionage, and countersubversion cases, examine Japanese activities in the United States, and investigate war fraud matters. Even with an end to conflict and the general demobilization of US military forces, the Department of the Army, Navy, and later the Air Force, maintained sizable intelligence components, which would quickly gain respected positions in the intelligence community as their respective roles developed in the postwar environment.

A New Kind of Conflict

The coming of the Cold War brought an unprecedented reliance on our nation's intelligence community to keep the country aware of threats and fully prepared to meet all manner of conflict. It was during these years that ONI developed as an intelligence organization fully capable of supporting the US Navy in the accomplishment of its tactical and strategic responsibilities.

With the founding of the Central Intelligence Agency in 1947, the Navy did not relinquish what it considered a right to an intelligence organization and stood firm in the belief it would continue to "...collect,

evaluate and disseminate that intelligence it considered important to its own need."³

At the center of today's Naval Intelligence community is the Office of Naval Intelligence which is within the Office of the Chief of Naval Operations. The Director of Naval Intelligence is an Assistant Chief of Naval Operations who reports directly to the Vice Chief of Naval Operations and is also indirectly responsible to the Secretary of the Navy. With the primary purpose of meeting the intelligence and counterintelligence needs of the US Navy, ONI frequently employs a variety of sources and methods to gather information regarding the intentions and capabilities of many foreign nations.

Routinely such information is shared by ONI with policymakers and contingency planners or within the military community to support the formulation of naval or interservice plans and operations. It detects and warns of threats to the security of our naval establishment and is responsible for coordinating all intelligence activities within the Department of the Navy. ONI continually makes meaningful contributions to the US intelligence community and is tasked with advising the Secretary of the Navy and Chief of Naval Operations on all matters relating to naval intelligence and the security of classified naval matters.⁴

During the postwar years three components were established to carry out ONI field work. The first of these, Naval District Intelligence Offices, under the management of ONI, employed personnel assigned to duties in the United States or certain outlying areas and concerned themselves primarily with work in the internal security fields. These offices, directly responsible to the Naval District commanders, were primarily staffed with civilian agents and augmented by Naval Intelligence officers who conducted security and major criminal investigations involving naval personnel and property.

This particular system of District Intelligence Offices was superseded by the United States Naval Investigative Service which was founded in 1966.

The second ONI field component consists of those intelligence personnel on the staffs of flag officers

who are assigned to duties in the United States or overseas. The fundamental responsibility of those assigned to staff intelligence duties is to support area, task force and fleet commanders by developing and furnishing operational or tactical intelligence needed to fulfill mission requirements. Intelligence officers working on such staffs not only support unit commanders, but also perform collection activities that further ONI objectives.

The last component consists of the contemporary naval attaché system employing personnel trained to collect intelligence for ONI while assigned to US missions, embassies, or other diplomatic posts around the world. Customarily, the naval attaches concern themselves with gathering information on foreign naval developments, capabilities, and trends.

These individuals are also responsible for compiling and continually updating data on foreign ports, beaches, and harbors since this information would be used in time of conflict to support all manner of naval air, surface, and subsurface operations.

A Continuing Need

With the advent and deployment of weapons that are literally capable of obliterating millions of people in a matter of minutes, ONI had no choice but to maintain a credible military deterrence. The modern day ONI is staffed by highly trained, capable, and devoted personnel who work hard to ensure their organization makes a meaningful contribution to the US intelligence community and national security interests. As potential adversaries continue to deploy technologically advanced weapons systems, the demand for increased quantities of quality intelligence will grow in the coming years. A sizable portion of this information will be gathered and developed by the Naval Intelligence community. Considering the potential consequences, the Department of the Navy and the United States of America have the need for a permanent, active, and professional naval intelligence organization more than ever before.

Colepaugh And Gimpel

In June 1940, the Special Agent in charge of the FBI's Boston Office was in his office reading a letter

from the supervising US Customs Agent. The letter indicated that information had come to the attention of the Customs officers that, on several occasions from 2 to 27 May 1940, William Curtis Colepaugh had visited the German tanker, *Pauline Friederich*, which was tied up at Battery Wharf in Boston.

The Customs official advised that Colepaugh claimed he was engaged as a painter aboard the vessel. He reportedly indicated his intention, while visiting on the German tanker, of going to Germany to study engineering. It was also reported that he expressed dissatisfaction with conditions in the United States and claimed that he desired to leave this country.

It occurred to the Customs official that because of Colepaugh's dissatisfaction with conditions in the United States, the FBI might wish to conduct inquiries concerning him. A case was opened on William Colepaugh and instructions were issued to make the necessary checks to determine whether or not Colepaugh was engaged in subversive activities.

FBI investigation reflected that Colepaugh had been a student at a university in Massachusetts where he studied naval architecture and engineering. The records of this school showed that Colepaugh entered the school in September 1938 and that he had previously attended a secondary school in Toms River, New Jersey. His home address was listed as Old Black Point, Niantic, Connecticut. He was born on 25 March 1918.

Colepaugh was forced to leave the university on 6 February 1941 because of scholastic difficulties. From one of his former roommates, the FBI learned that Colepaugh received considerable mail containing propaganda publications from the German Consul in Boston and from German news agencies in New York. He claimed that Colepaugh showed considerable interest in these publications.

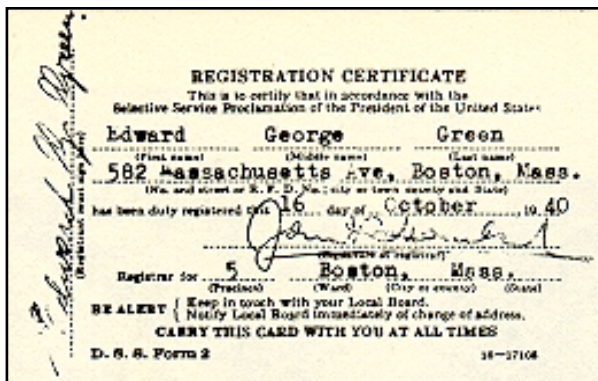
Colepaugh was a member of the US Naval Reserve. From Customs guards stationed at the wharf where the *Pauline Friederich* had been docked, the FBI learned that Colepaugh, on one occasion, claimed he was living aboard the vessel because he liked the crewmembers. On another occasion, he said he had permission from the chief officer to spend a few days

on the ship. He stated that he liked the people aboard the ship better than the people in the United States.

The whereabouts of Colepaugh was unknown. One individual advised that he might be in South America as a crewman aboard a merchant vessel.

On 23 July 1942, the *Scania*, a Swedish vessel, arrived at Philadelphia from Buenos Aires. The crew list of that vessel indicated that William Colepaugh was a seaman on board the ship. Colepaugh was questioned by local naval officers, at which time he presented a Selective Service card indicating that he had registered under the provisions of the Selective Training and Service Act on 16 October 1940. During this interview, he admitted his failure to communicate with his local draft board and said that he had never received communications from that board. This information was immediately turned over to the FBI, and FBI agents interviewed Colepaugh.

The Philadelphia Office sent a teletype to the Boston Office, and a check was made of the records of the local draft board in Boston where Colepaugh had registered. It was found that he had failed to return a completed questionnaire to that draft board and had also failed to keep the draft board advised of his address. These were violations of a Federal law under the investigative jurisdiction of the FBI. Accordingly, FBI agents in Boston contacted the local US Attorney, and, on 25 July 1942, a complaint was filed against Colepaugh, charging him with violating the Selective Training and Service Act. A warrant was issued for his arrest.



Nazi Spy Erich Gimpel used this Abwehr forged draft card to backstop his alias name.

Colepaugh was returned to Boston and was further interviewed by the FBI. He claimed that his father was a native-born American but that his mother was born aboard the German ship, *The Havel*, while en route to the United States. He indicated that while he was a university student, he met the Capt. of the German tanker, *Pauline Friederich*. Through this meeting, he was invited to visit the ship and did so on several occasions. During these visits, he became acquainted with a man whom he knew to be a Nazi Party leader on board the vessel. This man was a guest at the Colepaugh home on two occasions.

Colepaugh said that he had purchased a radio set. Subsequently, he received a telephone call from the secretary to the German Consul at Boston who was interested in his radio set. He denied building the set but admitted selling it to the German official for \$60. He admitted that he had visited the German consulate on numerous occasions in early 1941. He said that from January to April 1940, he was employed at Lawley's shipyard in Boston as a laborer on board yachts.

On 7 May 1941, Colepaugh went to Canada and shipped out as a seaman on the *Reynolds*. The ship went to Scotland and returned to Boston in late July 1941. Colepaugh subsequently went to New York City, and on 5 September 1941 he obtained a job as a deck hand on board the *Anita*, which left New York City for Rio de Janeiro. He was at Buenos Aires in October 1941 and on 8 December 1941, secured a position as deck hand on the tanker, *William G. Warden*. He made a few trips on this ship in South American waters, and on 25 March 1942, he was again in Buenos Aires. On 5 April 1942, he secured work as a deck hand on board the *Scania*.

Colepaugh stated that he had written to the German Library of Information in New York City for publications, and he added that he had attended a birthday celebration in honor of Hitler at the German consulate in Boston. The secretary to the German Consul, according to Colepaugh, had discussed with him the possibility of his going to Germany to study at various marine-engineering schools.

The US Attorney in Boston advised that he would not authorize prosecution against Colepaugh if the

latter would enlist for military service. Colepaugh promised to do so. Colepaugh enlisted as an apprentice seaman in the US Naval Reserve on 2 October 1942. Since he became a member of the Armed Forces, under the jurisdiction of the Navy, the FBI's case on Colepaugh was closed administratively. Copies of FBI reports in this case were furnished to Navy officials for their assistance.

On 28 June 1943, the FBI was advised that Colepaugh had been discharged from the Navy "for the good of the service." Colepaugh was again back in civilian life, and again the FBI began to interest itself in his activities. On 26 March 1943, it was determined that Colepaugh was working for a watch manufacturing company in Massachusetts. On 7 July 1943, he was known to be working for a poultry farmer in Concord, Massachusetts.

A check with the local draft board indicated that Colepaugh had telephoned his draft board on 10 January 1944 that he was going to enter the Merchant Marine and would send a letter to his local draft board advising them of his exact employment. Five days later, the draft board received a letter from him postmarked New York. Enclosed with this letter was a note on the stationery of the Swedish American Steamship line certifying that Colepaugh was employed on board the *Gripsholm* as a messboy.

The FBI had been informed that the *Gripsholm* was carrying individuals who were to be repatriated to Germany. It was not known whether or not Colepaugh would return to the United States as a crewmember aboard the same ship. The FBI therefore placed stop notices with appropriate Government agencies in order that these agencies would advise the FBI in the event Colepaugh returned to the United States.

On 15, February 1944, the *Gripsholm* sailed. Within a few days of its arrival in Portugal, Colepaugh looked up the telephone number of the German Consulate at Lisbon. It was Sunday, and he was advised that the Consul was not in. At noon, the following day, Colepaugh went to the Consulate in person and told the doorman that he was from the *Gripsholm* and wanted to see the Consul. Colepaugh explained that he was a friend of the former German Consul at Boston.

Colepaugh was admitted to the consulate and met with the German Consul. This individual brought to his office a woman who acted as an interpreter. After the Consul spoke to her, she turned to Colepaugh and her first words were, "Have you come with the information?"

Colepaugh replied that he did not come with information but that he wanted to find out if he could go to Germany. He explained that he knew the former German Consul in Boston and that he had advised him that it would be all right for him to go to Germany.

Colepaugh told the Consul in Lisbon that he desired to join the German Army and explained that he had taken a trip aboard a British ship to Scotland in the spring of 1941 at the request of the German Consul in Boston to gather information regarding convoys.

At the conclusion of the conversation, the Consul told Colepaugh to return on Thursday, and in the meantime he would get in touch with Berlin.

At noon on Thursday, Colepaugh returned to the German Consulate in Lisbon. He was told that no reply had been received from Berlin, and he was requested to return the following day. At 4:00 P.M. on Friday, Colepaugh returned to the consulate. This time there was another man with the Consul whose identity was not made known. This man informed Colepaugh that it would be all right for him to go to Germany. He asked Colepaugh whether or not he had enough money to fly to Germany.

When Colepaugh replied that he did not, this unknown person said he would place Colepaugh in the last exchange repatriation group leaving on the following Monday or Wednesday.

When this was agreed upon, the Consul called another individual into the room for the purpose of adding Colepaugh's name to the repatriation list under the alias "Gretchner." Colepaugh was advised to go to a certain hotel and await further word from the German Consulate.

Within a few days an individual whom Colepaugh had met at the Consulate called at the hotel and gave Colepaugh a slip of paper bearing the name "Carl

Curt Gretchner.” This was the name Colepaugh was to use while traveling on the repatriation train in Germany. At the train, Colepaugh was turned over to a Gestapo (German Secret Police of the Third Reich) representative.

Colepaugh, as “Gretchner,” traveled by train from Lisbon through to Biarritz. While waiting there for a train connection, he met a Dr. Miller, connected with the Schutzstaffel (SS). Miller wanted to know why Colepaugh desired to join the German Army. Colepaugh replied that he liked not only the setup of the German Army but also the way it was handled. Miller asked Colepaugh if he later wanted to return to the United States. Colepaugh replied that he did not. Miller left Colepaugh in care of an unknown individual and they traveled to Saarbrücken, arriving early in March 1944.

On 20 March 1944, Colepaugh left for Berlin, where Dr. Miller met him and then introduced him to a member of the SS. This man asked Colepaugh questions about the United States. He was interested in the election, rationing, and the attitude of the American people toward the war. He questioned Colepaugh very closely relative to the latter’s attitude toward the United States and asked why Colepaugh wanted to join the German Army. He also questioned him about his intentions after the war. Colepaugh replied that he had no interest in returning to the United States but intended to take up his shipbuilding trade in Germany after the war.

This man questioned Colepaugh about his attitude with reference to Hitler and the German Government. Colepaugh replied that the German Government and Hitler “look good to me.” He opined that the war moves were for the best interest of the German people.

Near the end of June 1944, Colepaugh was interviewed by a high official attached to the S.S. He told Colepaugh that he was going to be placed in the Security Service that handled the training of Nazi spies and saboteurs. Thereupon, Colepaugh was sent to a school operated by the Security Service at The Hague.

His courses included training in radio work and the use of firearms and explosives. He also received a

great deal of athletic training to build up his body and was taught to drive a motorcycle. He was taught how to handle explosives and was shown the most effective way to cause a train to be derailed. He was shown how to use thermite to the best advantage and was told that this substance would burn through steel and could be used to wreck a bridge or other steel structures.

Colepaugh was shown by practical problems how explosives would react. He was not only taught the basic principles of handling explosives but was also taught not to be afraid of them.

It was at this school that Colepaugh first met Erich Gimpel who had just returned from Spain where he had been acting as a German agent. Gimpel knew how to handle explosives and during the school course explained to Colepaugh their properties and the procedure to be used in handling them. Gimpel was an expert radio operator. He and Colepaugh were taught how to handle pistols, rifles, and submachine guns. They learned to fire these weapons with either hand.

While Colepaugh attended the school at The Hague, he was given the name Wilhelm Coller. He was furnished an identification card bearing his picture and that name. The rules of the school were explained to him, and the principal rule was that there was to be no talking to any person on the outside at any time regarding the activities of the school or its personnel. Colepaugh was left with the impression that a violation of this rule meant death.

Colepaugh soon learned that Gimpel was a person of importance in the Security Service in Germany. He had a private office at the Security Headquarters in Berlin and his own private secretary. He was treated with respect. Gimpel told Colepaugh that while he was acting as a German agent in Madrid in 1943-44, he was an instructor in a Fascist academy for young Spanish boys.

In August 1944, Colepaugh was sent to Berlin with Gimpel. They were given a photographic course in one of the branches of the Security Service. They learned to take pictures with a Leica camera and to develop and print these photographs. From there they

were sent to Dresden, Germany, where they studied microphotography and worked with micro-photography negatives on special sixteen-millimeter film and then developed and examined them to make sure they could read them through the appropriate microscope on the apparatus. After this course, Gimpel and Colepaugh returned to Berlin.

At the time Colepaugh went to Dresden for his microphotography training, he did not know what his assignment would be. While he was there, however, Colepaugh was advised in the presence of Gimpel that they were both being sent to the United States but they were not told what their specific assignments would be.

Two days before Colepaugh and Gimpel left Berlin for Kiel, they went to the home of a Military Officer. There, they met three members of the S.S. Colepaugh was told that these colonels were Doctors of Engineering. They advised that the mission of both men in the United States was to obtain information from periodicals, newspapers, the radio, and all available sources regarding shipbuilding, airplanes, and rockets; in short, any war information that would be of value to Germany. These officers wanted Colepaugh and Gimpel to stress information pertaining to the engineering field. The information gathered by them was to be sent primarily by a radio that Gimpel was instructed to build. In the event of an emergency, either were to use American prisoners of war interned in Germany as "mail drops," or they were to use designated intermediaries in Lisbon and Madrid. Letters sent to these mail drops were to be written in secret ink.

Gimpel was instructed to build, in addition to a radio for his own use, additional radios capable of receiving and sending short-wave messages for use of other German agents who probably would be sent to the United States in the future. Gimpel was to receive instructions from Berlin after they had established a radio contact with Berlin from the United States as to precisely how these radios should be built.

Gimpel was enthusiastic over his mission to the United States and advised Colepaugh that it was not necessary for the latter to learn telegraphy inasmuch as Gimpel would handle the sending and receiving of

messages and that Colepaugh could act as the "mouthpiece."

Gimpel told Colepaugh that after their radio had been set up in the United States, he would like to bring German saboteurs to America.

In sending information they would gather, they were instructed to use specific code wavelengths at specified times. They were also furnished with code signatures and other data to assist them in proper transmission. They were advised that their mission to the United States would last for two years. They would leave the United States either by submarine or some other means to be decided upon at a later date. In receiving instructions concerning their assignment, they were advised that Berlin would begin sending out messages in an attempt to contact them twenty days after they landed in the United States and that Berlin would continue to send out messages for a period of several months until contact was established.

Just before they left for Kiel and while they were still in Berlin, they were furnished with film bearing the names and addresses of about twenty American prisoners of war in Germany. These names were to be used by both men in the event they wished to correspond with Berlin. They were told that they were to write an innocuous message or letter but that the actual data they desired to transmit should be placed on the letter in secret ink. They were reminded that the Security Service in Berlin would examine all letters going to the American prisoners of war.

They received microphotographs with instructions for building the radio and also for receiving and transmitting messages when they reached the United States. Colepaugh was to use the code name "Walter," and Gimpel was to use the codename "Edgar" in transmitting messages to Berlin. In reply, Berlin was to use the codename "David." They were also given a microphotography apparatus, which was to be used to make microphotographs. They were also given one bottle of what appeared to be regular blue-black ink. In reality this was secret ink to be used for transmitting secret messages. At the same time, they were given a supply of developing power to develop any secret messages sent to them while they were in the United States.

Gimpel obtained from one of his friends in Berlin two .32 caliber automatic pistols and the necessary clips and cartridges for these pistols.

The code for sending messages on the radio to Germany, which was given to them was based on the words "Lucky Strike cigarettes, It's Toasted." They were also furnished wristwatches and two small compasses. They were given two kits of concentrated food that had been taken from captured American pilots.

Gimpel received a blue onion-skin paper packet containing about one-hundred small diamonds, which were to be used to provide funds in the event the money given to them was found to be worthless or dangerous to use.

The day before they left for Berlin for Kiel they signed various identification papers, which were later turned over to them in Kiel. The papers made out for Colepaugh carried the name William C. Caldwell. These papers consisted of a birth certificate showing Colepaugh was born in New Haven, Connecticut; a Selected Service registration card showing him to be registered at Local Board 18, Boston; a Selective Service classification card from the same draft board; a certificate of discharge from the United States Naval Reserve; a motor vehicle operator's license for the State of Massachusetts; and several duplicate papers, completely signed and filled out except that the names and addresses were omitted to permit Colepaugh and Gimpel to assume other names if such was found necessary.

About 22 September 1944, Gimpel and Colepaugh went to Kiel where they spent two days waiting aboard the Hamburg-American liner *Milwaukee*. Subsequently, they went aboard German U-boat Number 1230, which left the harbor immediately but laid off Kiel for about two days while waiting for a German convoy going up the coast of Denmark. They proceeded with this convoy to Horton, Norway, where the U-boat was given tests for about six days. Then they went to Kristianson, Norway, where they remained for two days taking on food and fuel.

Colepaugh and Gimpel had received \$60,000 for their expenses. This sum had been determined when

Colepaugh had pointed out that the cost of living in the United States had taken a sharp turn upward. He estimated that it would be necessary to have \$15,000 a year for the living expenses of one man. Based on this estimate, the \$60,000 represented expenses for two men for two years.

On 6 October 1944, the U-boat left Kristianson and proceeded out into the broad Atlantic, bound for the United States. The U-boat commander was cautious. At the first sign of a suspicious sound, he would submerge the U-boat and wait.

On 10 November 1944, the U-boat approached the Grand Banks of Newfoundland. At that point the U-boat crew took radio bearings on Boston; and Portland and Bangor, Maine, and later they established a position off Mount Desert Rock, Maine. They laid off that point until about 4:00 P.M. on the afternoon of 29 November 1944.

During the day the U-boat rested on the ocean bottom. During the night it charged its batteries by using its diesel engines. Through listening devices the crew of the U-boat was able to hear fishing boats on the surface nearby, and on one day they listened to a fishing board which was anchored above them. It was during this period that word was received by radio from Berlin that a U-boat had been sunk in Frenchman's Bay, and the Capt. was instructed to land Colepaugh and Gimpel somewhere else.

Colepaugh, Gimpel, and the captain discussed landing places in Rhode Island, New Hampshire, and Maine. In the end, the captain disobeyed his orders and on the night of 29 November 1944, the U-boat completely submerged, started for Frenchman's Bay.

About one-half mile off Crab Tree Point, the Capt. ordered the U-boat to be raised until the conning tower was just above the water. In this fashion the U-boat proceeded to a point just about 300 yards from the shore at Crab Tree Point, which is just across the peninsula from Hancock Point.

During the trip across the Atlantic, Colepaugh and Gimpel wore regulation German naval uniforms but about half an hour before the U-boat came to its shore position, they removed their uniforms. The U-boat

turned to face the south, and the crew made ready a rubber boat with oars. Attached to this boat was a light line to be used to pull the rubber boat back to the U-boat after Colepaugh and Gimpel had rowed ashore.

When the rubber boat was launched, the line broke, and it was necessary for two crewmembers to row Colepaugh and Gimpel to shore. At the landing point, there was a narrow beach of approximately six feet and then a bank. In the stillness of that cold November night on the Maine coast, Nazi agents Colepaugh and Gimpel stepped onto the shores of the United States. The German sailors also stepped ashore in order that they could return to Germany and brag that they had set foot in the United States. When the sailors departed they saluted, "Heil Hitler."

With their equipment, Colepaugh and Gimpel climbed the bank and walked through the woods adjacent to the shoreline until they reached a dirt road. They did not bring any explosives ashore and did not bury anything on the beach. They left their microphotography apparatus on the U-boat because it was heavy and they were in a weakened condition from their long stay aboard the U-boat.

The Nazi agents walked up the dirt road in a northerly direction until they came to the end of the road, at which point there was a house. Then they took a path in an easterly direction and followed it until they came to a macadam road. At that point the handle of the airplane luggage carried by Colepaugh broke and he had to fix it. They started again in a northerly direction.

The snow, which had been falling lightly during the early hours of the evening, was now falling rather heavily. They finally reached US Route 1 and turned left to walk in a westerly direction. It was about 12:30 A.M. when an automobile passed them. The car stopped, whereupon Colepaugh ran up to it and told the driver that he and his friend needed a ride to Ellsworth. Colepaugh was told that the car was a taxi, and after he talked with the driver, the latter agreed to take both men to Bangor for six dollars.

Arriving at Bangor about 1:30 A.M. 30 November 1944, the taxicab driver took them to a small restaurant

to change a ten dollar bill to pay the driver. After doing so, both men walked to the railroad station and boarded a 2:00 A.M. train to Portland, arriving there at 6:00 A.M.

They caught a train for Boston shortly after 7:00 A.M. and arrived there about 10:00 A.M. They registered at a hotel shortly after noon. They spent the night in Boston and left the hotel early the next morning, taking a train to New York City. They arrived at Grand Central Station at 1:30 P.M. on 1 December 1944. They checked their luggage at the station and went to Pennsylvania Station where they checked a briefcase in one of the lockers. That afternoon they registered at a hotel as William C. Caldwell and Edward George Green. They remained at this hotel from 1 to 9 December 1944.

The primary concern for both Nazi agents after coming to New York was to locate an appropriate apartment or house from which the radio could be operated. They made numerous telephone calls to real estate agencies and answered classified ads in the newspapers in an effort to locate such a place. Gimpel usually accompanied Colepaugh in searching for apartments. Gimpel rejected several places, which would have otherwise been satisfactory, because of steel construction in the buildings making them unsuitable for sending and receiving radio messages.

Finally, on 8 December 1944, they were successful in renting an apartment on Beekman Place in New York City for \$150 a month. They paid two months rent in advance. Colepaugh took the bags to the apartment while Gimpel waited on the street. Gimpel said he did not want to go into the apartment at first because he did not want it to appear that two men were renting the apartment.

They left the apartment promptly each morning and did not return until late at night to give the impression that they were businessmen going to work every day. Gimpel was with Colepaugh a great deal of the time, and it appeared that Gimpel was reluctant to let Colepaugh get out of his sight. On several occasions Colepaugh did go out in the evening for a good time but Gimpel refused to drink in bars. On 13 December 1944 the two men took the briefcase, which had been

checked into the Pennsylvania Station locker, to the apartment.

On 21 December 1944 Gimpel and Colepaugh were at Rockefeller Center where Gimpel had purchased some clothing and was having alterations made on a suit. At about 5:30 in the evening, Colepaugh advised Gimpel that he did not desire to go into the store with Gimpel and would wait outside and listen to the Christmas carols sung where people were ice-skating.

While Gimpel went into the store, Colepaugh walked through the crowd, caught a taxi, and proceeded to the apartment on Beekman Place. He told the cab driver to wait. He went upstairs and took the bags, one of which contained the briefcase, and started to return to the taxi. On his way out, the sister of the man from whom the apartment had been subleased met him.

He told her he was going to visit his relatives in Connecticut for Christmas. Colepaugh got into the taxi and told the driver to take him to Grand Central Station. At the terminal he checked the bag containing the briefcase. He also checked his luggage in the baggage checkroom, placing the claim checks for the two bags in his wallet. He took the Lexington Avenue subway to 59th Street and registered at a hotel.

While they were living at Beekman Place, Gimpel had suggested on one occasion that they should separate. Colepaugh had not agreed to the plan, however, but on the night of 21 December, he actually separated himself from Gimpel.

During this time the FBI was also active. On 3 December 1944, the Boston Field Division received information that a British freighter, the *Cornwallis*, sailing from the British West Indies to St. John, New Brunswick, was torpedoed and sunk at about 6:00 A.M. on that date somewhere between Mount Desert Island and Mount Desert Rock off Bar Harbor, Maine. The ship sank in less than ten minutes as a result of an explosion in the starboard bow, and it was subsequently determined that the sinking actually occurred about eight miles northwest of Mount Desert Rock, Maine.

The FBI felt that the sinking of this ship was significant. It meant that an enemy U-boat was close

to the coast of Maine, and the FBI could not discount the possibility that this U-boat also might have landed enemy agents.

The Boston FBI Office immediately dispatched agents to Rockland, Maine, and South West Harbor, Maine. The agents were assigned to a coastal patrol that at first was concentrated in the area of Frenchman's Bay. The FBI was able to determine from the US Navy that this area might be a logical place for enemy agents to land, inasmuch as the coastal waters around the area were deep enough for a U-boat to come close to the shore.

A deputy sheriff was interviewed who advised that his 18-year-old son had observed two strange individuals in the vicinity of Frenchman's Bay on the night of 29 November 1944. He related that the boy noticed the two men walking away from the beach area with their heads down against the snowstorm that was raging that night. The boy became suspicious of these men because they did not appear to be dressed like local residents. The boy told his father who proceeded to the area the next morning, in an attempt to discover traces of the two men. The snowstorm had evidently wiped out all traces.

The agents interviewed the deputy sheriff's son who told them that about 11:30 P.M. near Hancock Point he observed two unknown individuals. He said that they were walking as he met them in his automobile and that he noticed their tracks continued down the road for about a hundred yards and stopped at a point where a path from the beach meets the road. The boy said that both of these men wore light-colored clothing and no hats. It was his impression that the taller of the two was carrying a small bundle or suitcase under his arm.

FBI agents continued their inquiry in the area of Hancock Point and learned that a neighbor of the deputy sheriff had apparently seen the same two men. She advised that about 11:50 P.M., she observed two men walking away from the ocean and toward US Highway Number 1. She saw these two men about one mile from the point where the deputy sheriff's son saw them.

Agents closely examined the beach and all cottages and trails were closely scrutinized for any evidence that a landing had been made. No evidence was found during this search. All residents of Hancock Point, which embraces an area about five miles long and three miles wide, were interviewed by FBI agents without obtaining any information of value.

Additional investigation reflected that no passengers had boarded the only bus operating along US Highway Number 1 between Machias and Bangor on the night in question. Ticket agents of the Maine Central Railroad as well as representatives of trucking lines operating long-distance trucks passing through the area were interviewed. A check was made to determine whether any long-distance telephone calls had been made from the exchange covering Hancock Point.

No information of value was obtained. All available coastal residents, coastal sources of information, law enforcement officers, fishermen, and members of the Armed Forces, were interviewed by FBI agents. No information was developed as to the identity of the two men. The investigation continued.

In the meantime, Colepaugh knew that Richard Fairfax (Comment: fictitious name to protect the identity of the person), a former schoolmate, lived in Richmond Hill, New York. He knew the location of the Fairfax residence since he had visited Fairfax several years ago while they were students. He considered Fairfax an old friend.

At about noon on 23 December 1944, Colepaugh went to Fairfax's home in Richmond Hill where he talked with Fairfax's mother. She told Colepaugh that her son was working at a shoe store in Jamaica. About 2:30, Colepaugh met Richard Fairfax for lunch, at which time Colepaugh talked over old times. Colepaugh made arrangements to see Fairfax at his home about 11:00 P.M. Fairfax's mother had left for a visit in Philadelphia and was not to return for several days.

Colepaugh and Fairfax decided they would go out that night. Fairfax said that he wanted to shave first. While he was in the bathroom shaving, he and Colepaugh entered into a conversation about the war.

Colepaugh said to Fairfax, "Richard, remember you said that I could never get into any real trouble? Well, I am in a lot of trouble now."

Fairfax asked, "What sort of trouble, Bill"?

After a pause, Colepaugh said, "I just came back from Germany."

Fairfax said, "You mean you were in Germany"? Colepaugh replied in the affirmative and then told the entire story.

Fairfax thought Colepaugh was joking and asked him if he was sincere about the whole situation. Colepaugh replied that he was. Upon further questioning, Colepaugh indicated that his mission to the United States was to get information. Fairfax asked him how he intended to get this information back to Germany, and Colepaugh replied that it would be sent by wireless. Fairfax asked Colepaugh where this information would be sent from and Colepaugh said that it might be sent from anywhere.

Fairfax asked if he had a radio, and Colepaugh said no but indicated that Green was an engineer and could build a radio set. He pointed out that Green could make all of the parts of the radio and was even proficient enough to make a radio tube. Fairfax asked Colepaugh where Green was at that time. Colepaugh replied, "I don't know. I ditched him." Colepaugh told him Green's true name was Erich Gimpel.

After discussing more details of the bizarre story, Colepaugh asked Fairfax how to get in touch with proper authorities and subsequently Fairfax called the New York office of the FBI. Fairfax advised the agent who took the call that he had in his possession important information, which he could not discuss over the telephone and wanted an FBI agent to call at his home. A Special Agent was instructed to proceed to Fairfax's home.

On the evening on 26 December, the Special Agent introduced himself to Fairfax. Proceeding into the living room, Fairfax turned to the agent and said, "I want you to meet Mr. Colepaugh. He has a story to tell, and I'll let him tell it himself."

Colepaugh said that his name was William Curtis Colepaugh and that he had lived in Niantic, Connecticut. He appeared to be very nervous as he related to the agent that he and another man under the name of Edward George Green had been landed on the coast of Maine by a German U-boat. He said that they both were in the U.S. for the purpose of obtaining military, political and economic information to be subsequently transmitted to Germany by radio and letter. Colepaugh related in detail the events of his past life, his contact with crew members of the *Pauline Friedrich*, the fact that he had shipped to Scotland on a freighter for the purpose of obtaining information concerning convoys for the former German Consul in Boston.

In detail, Colepaugh explained his trip on the *Gripsholm*, his contact with the German officials in Lisbon, his entry into Germany, his course in the school at The Hague and his meeting with Gimpel, who was in the U.S. under the name of Green. He described his trip on the U-boat, the landing on the Maine coast, the subsequent trip to Boston and the final trip to New York City. Colepaugh told the agent that since their arrival in the U.S. they had not engaged in any espionage activities.

He said they had purchased some parts for a radio at various retail radio shops in New York City. Colepaugh advised that Gimpel was not satisfied with the setup at Beekman Place and told Colepaugh to watch the newspapers for an opportunity to rent a place on the outskirts of the city, which would be suitable for radio activities.

Colepaugh said that he had put off looking for a place on the outskirts of the city when he had made up his mind to get away from Gimpel. He claimed that after he left Gimpel at Radio City on 21 December, he took from the apartment the two bags belonging to Gimpel and that these bags contained between forty to sixty thousand dollars in American money. At this point, Colepaugh turned over to the Special Agent two baggage checks issued by a parcel room at Grand Central Station for these bags. The baggage checks indicated that they were stamped at 6:28 P.M. on 21 December.

Colepaugh said that Gimpel liked to drink but was careful not to drink too much. The agent, in seeking a description of Gimpel, asked Colepaugh if Gimpel had any peculiarities. Colepaugh said that Gimpel did not carry a wallet but kept bills of large denominations in a roll in his trouser pocket and had the habit of stuffing dollar bills into the breast pocket of his suit coat. He said that Gimpel carried a Latvian coin, dated 1942, that was considered by Gimpel to be a good luck token.

He said that Gimpel liked to eat steaks and quite often frequented the better steak houses in New York City. Colepaugh said that Gimpel also liked to frequent Spanish restaurants where he could meet and talk to people in Spanish. He said that while he was with Gimpel in New York the latter had made a number of trips to a newspaper stand located at the foot of the subway stairs at Times Square, where he bought Peruvian newspapers.

In describing Gimpel, Colepaugh said that among other things he wore a silver Inca Indian ring with a square gold top and an Inca design. Gimpel wore this ring on the little finger of one hand.

Colepaugh was asked if he knew where Gimpel might be and he claimed that outside of the apartment at Beekman Place, he did not know of any other locality where Gimpel would go. He said, however, that Gimpel did not like the cold climate and that he possibly might go to the South. He said that Gimpel had mentioned to him at one time that he had passed through New Orleans.

Concerning the possibility that Gimpel might return to the old Times Building on 42nd Street and 7th Avenue to purchase Peruvian newspapers, Colepaugh said that during one of their last few days together he and Gimpel had attended a short-subject movie based on a "Crime Does Not Pay" type of film. He said the police apprehended the criminals in this particular story when they approached a newsstand to purchase a hometown paper. Colepaugh was not able to state whether this had made any particular impression on Gimpel, and he did not know whether Gimpel would continue to purchase Peruvian newspapers at the old Times Building.

Colepaugh related that with reference to radio material, they had purchased two millimeters, a magnifying glass, a 1944 edition of a radio amateur book, one ohm-test meter, and a small screwdriver.

At the Beekman Place apartment, agents contacted the sister of the person who sublet the top floor apartment to Colepaugh and Gimpel. She confirmed Colepaugh's story of his leaving the apartment with the two suitcases. She said that an hour after Colepaugh had departed, the door buzzer rang, and she went to answer the door. It was Green (Gimpel). He went up to his apartment and a few moments later came down to her apartment. He asked her if his friend was gone, and she replied that he had left to visit his family in Connecticut. He returned to his apartment and about ten minutes later asked her if he could have a key. She gave him a key, and he told her that he would return it to her later. He thereupon left the house.

About 1:30 P.M. the next day, Green returned the key to her and, as he was leaving the house, she noticed he was carrying two cardboard boxes. He indicated at that time he was on his way to join Caldwell.

Agents also interviewed the manager of the clothing store, who was able to produce a sales ticket, which was filed alphabetically under the name of Edward Green. The sales ticket indicated that one suit and one overcoat were sold to an Edward Green of a certain hotel on West 23rd Street.

Surveillance was placed on the newsstand at Times Square to see if Gimpel showed. All railroad and bus stations and airline terminals were examined in an effort to locate the bags known to be in the possession of Gimpel.

Colepaugh had turned over to a Special Agent two baggage checks for bags he had taken from the Beekman Place apartment and deposited at Grand Central Station. FBI agents went to the baggage claim area and interviewed the employees.

One of the employees stated that shortly after midnight on 22 December, an individual by the name of Green came to the south window of the parcel room.

He stated that he had two bags that were checked but that he had lost the duplicate coupons. Green was admitted to the inside of the parcel room and told to search among the racks until he located his bags. Green finally located the two bags, which he claimed were his. The employee took Green and the two bags to another checker and asked him to take care of the matter because there was a large crowd waiting in front of the parcel room.

This checker related that one of the bags was a large tan leather case of the "two-suit" type with two locks and that the other bag was a suitcase of gray airline cloth. He claimed that Green produced a key to the tan leather bag and opened it. When it was opened, it was found to contain dirty clothes and a Leica camera. Gimpel gave the checker two receipts for the bags and left the parcel room with them.

FBI agents had been conducting a continuous daily surveillance at a Times Square newsstand located halfway down the subway entrance stairway at the corner of 42nd Street and 7th Avenue. The newsstand consisted of a three-room store. The first room was open to the public and contained newspapers and magazines from foreign sources, together with some American publications. The second and third rooms of the stand were small in size and were used for storage and office purposes.

At 8:55 P.M. on Saturday, 30 December 1944, while Special Agents were watching this stand, they saw an individual enter the store. One of the agents, noting the resemblance of this person to Gimpel, called the other agent's attention to the customer. This individual was wearing a blue double-breasted overcoat, a brown hat, and a gray suit. His overcoat and suit answered the general description of the clothing reportedly worn by Gimpel. The agents were not able to see that he wore a ring with an Inca design.

The man did not ask for, nor did he go near, the South American newspapers, which were on display at the stand. Instead, he perused the newspapers and magazines published in English and generally moved around the area where these periodicals were on display. The agents were able to observe that he finally selected a copy of a pocket edition of the book entitled, *Russia*. After making his selection, this

individual went to one of the clerks at the newsstand, who was beside the cash register, and paid for his purchase. At this particular time he was generally facing one of the Special Agents, and his back was toward the other agent who moved closer in order that he might overhear the voice of this individual. In paying for his purchase, the man spoke a few words in English with an apparent European accent.

One of the Special Agents noticed that in paying for his purchase, the individual took a bill from the inside of his coat and apparently from the breast pocket of his suit coat. The Special Agent remembered that this was a mannerism that Colepaugh said was peculiar to Gimpel. The agents exchanged nods. One agent preceded this individual from the store to the subway stairs, and the other agent followed.

On the stairway, immediately outside the store entrance, the first Special Agent turned to Gimpel and identified himself as well as the other agent as Federal officers. Both agents displayed their badges and requested the man's name.

He hesitated, saying, "What's this all about?" He was told by one of the agents that they were agents of the FBI, that it was a routine investigation, and that they desired to know his name, whereupon the unknown individual replied, "Green."

He was asked his full name and home address, and, in reply, this individual said that his full name was Edward Green and that his address was Massachusetts.

The agents then escorted him into the rear storage room of the newsstand and away from the presence of other persons. The agents knew that this person, who said that his name was Edward Green, was in reality Erich Gimpel. One of the Special Agents asked Gimpel whether he possessed any identification papers. A group of papers were produced from inside the suit-coat pocket. A Selective Service registration and a Selected Service classification card made out to Edward George Green, 582 Massachusetts Avenue, Boston, were among the identification papers, which also included a US Naval Reserve discharge made out in the same name and address.

He was searched and approximately \$10,000 was removed from his person, as well as 99 small diamonds wrapped in tissue paper.

Gimpel advised that his bags and the briefcase containing the money were located in his room at his hotel. He gave permission to have his room searched and accompanied the agents to the hotel for that purpose. The search of Gimpel's room revealed currency totaling \$44,100 as well as blank Selective Service registration and classification certificates. The agents also found blank certificates of discharge from the Navy, as well as blank birth certificates. Leica camera film, two Colt automatics, and a package containing two small bottles filled with a writing fluid were found. Gimpel identified articles and claimed that the two small bottles of writing fluid were secret writing ink to be used specifically for the purpose of writing secret messages.

Gimpel was taken to the New York FBI office where he was interviewed. He said he was born on 25 March 1910, at Merseberg, Germany. He claimed that he was in South America from 1935 to 1942, working for Telefunken, a German radio corporation with headquarters in Berlin. He said that he worked mostly in Lima, Peru. It was in Peru that he was interned by the police in June 1942 and was subsequently brought to Camp Kennedy, Texas, and was later taken to Jersey City, New Jersey, where he was repatriated to Germany on the *Drottningholm*. He arrived in Germany on 1 August 1942.

After returning to Germany, Gimpel said he was employed by the German Foreign Office as a courier between Berlin and Madrid. He was also employed in Hamburg and Berlin designing shortwave radio transmitters. He said he could not go into the German Army because under the agreement between the US Government and the German Government he would not be allowed to enter military service in Germany. He spent one year in Hamburg, until it was bombed out in August 1943. There he helped produce radio and electrical equipment for various German Government agencies. He continued his employment as a courier between Berlin and Madrid until February 1944 and was subsequently engaged to check newspapers for technical information. He continued

on this job until July 1944 when he was asked if he desired to work in foreign countries.

Agreeing to do this, he was sent to The Hague, where he first met Colepaugh. He became friendly with Colepaugh in order to practice English. He said that Colepaugh was enthusiastic in his praise of Germany, and Gimpel thereupon decided that Colepaugh would be a good companion for a foreign trip. When Gimpel agreed to come to the United States, he requested that Colepaugh be allowed to accompany him.

He said that in the spring of 1944 he had to sign the following documents:

"I obligate myself to exert my entire strength on behalf of Germany; otherwise I am aware that I can expect the sharpest reprisals."

While at The Hague in July 1944, Gimpel said he signed the following paper:

"That in no event will I, after entrance, give information as to what I have seen here."

He said that this paper was a kind of oath, which he had to take for the purpose of pledging himself against revealing any of the activities that took place in The Hague school.

In explaining his proposed work in the United States, Gimpel said he was to build an 80-watt radio transmitter and that Germany was to start sending messages to him about one or two months after he and Colepaugh had landed in the United States. In the event radio contact with Germany could not be made, he was to send letters to the "mail drops" given to him. He said that when he found out that Colepaugh had left him, he went to a hotel, thinking that perhaps the police might have picked up Colepaugh. He said he subsequently checked out of this hotel and went to another hotel, where he expected to remain until 1 January 1945. He wanted to go to South America but knew it would be hard to get there.

In explaining the use of secret ink, Gimpel said that letters containing innocuous messages were to be written to prisoners of war whose names were furnished by the Germans or to mail drops in Madrid

or Lisbon. Gimpel explained that in order to write a secret message, the message was written with specially prepared ink on a piece of paper. The piece of paper was pressed firmly, preferably by weights, against the paper bearing the message and was left in this position for several hours. When the blank piece of paper was removed, it would bear a secret message that could not be seen unless appropriately developed. This paper would appear blank, and an innocuous message could be written on the reverse side. A special type of development could subsequently make the secret message readable.

On instructions from the Attorney General, the FBI turned over Colepaugh and Gimpel to the military authorities in New York City. On 6 February 1945, they faced a Military Commission at Governor's Island, charged with violation of the 82nd Article of War and conspiracy. On 14 February this Military Commission found them guilty and sentenced them to be hanged. Later, the President of the United States commuted their sentences to life imprisonment.

The Custodial Detention Program

The epitome of preventive intelligence was the Custodial Detention Program established by the FBI and the Justice Department during 1940-1941. It should not be confused with the internment of Japanese-Americans in 1942. Both the FBI and military intelligence opposed the massive infringement of human rights that occurred in 1942 when 112,000 Japanese and Japanese-Americans were placed in detention camps—a decision made by President Roosevelt and ratified by the Congress. The authoritative histories stress the crucial influence of the Army's Provost Marshall General and his "empire-building" machinations, especially in reaction to a prewar decision transferring responsibility for alien enemy interment to the Justice Department.⁵

The mass detention of American citizens solely on the basis of race was exactly what the Custodial Detention Program was designed to prevent. Its purpose was to enable the government to make individual decisions as to the dangerousness of enemy aliens and citizens who might be arrested in the event

of war. Moreover, when the program was implemented after Pearl Harbor, it was limited to dangerous enemy aliens, and the plans for internment of potentially dangerous American citizens were never carried out.

The most significant aspects of the Custodial Detention Program bear upon the relationship between the FBI and the Attorney General. Director Hoover opposed Attorney General Robert Jackson's attempt in 1940 to require departmental supervision; and, when Attorney General Francis Biddle abolished the Custodial Detention List in 1943, the FBI Director did not comply with his order.

Director Hoover asked Attorney General Jackson in June 1940 for policy guidance "concerning a suspect list of individuals whose arrest might be considered necessary in the event the United States becomes involved in war."⁶ Secretary of War Henry L. Stimson advised the Attorney General in August that the War Department had emergency plans providing "for the custody of such alien enemies as may be ordered interned" and suggested that they be discussed between military and Justice Department officials.⁷ To deal with these matters, Attorney General Jackson assigned responsibility to the head of a newly created Neutrality Laws Unit in the Justice Department. This Unit was later renamed the Special War Policies Unit and undertook Departmental planning for the war, as well as analysis and evaluation of FBI intelligence reports and the review of names placed on the Custodial Detention List.

The FBI Director initially resisted the plan for Justice Department supervision. He told the head of the Special Unit that the Department's program created "the very definite possibility of disclosure of certain counterespionage activities."⁸ Hoover added,

"The personnel who would handle this work upon the behalf of the Department...should be selected with a great deal of care. We in the FBI have endeavored to assure the utmost secrecy and confidential character of our reports and records. To turn over to the Department this great collection of material in total...means that the Department must assume the same responsibility for any leaks or disclosure, which might be prejudicial to the continued internal security

of our country. Obviously, such personnel will know the identity of many of our confidential informants... The life and safety of these informants are at stake if their identities should become known to any outside persons."

Hoover also feared that if the Department took over any administrative action or prosecution, the identity of confidential informants now used by this would "cut off that source of information insofar as continued counterespionage might be concerned in that case." He claimed that if the Attorney General approved the plan, it would mean the Justice Department was "ready to abandon its facilities for obtaining information in the subversive field."⁹

Attorney General Jackson refused to give into the FBI Director. After five months of negotiation, the FBI was ordered to transmit its "dossiers" to the Justice Department Unit.¹⁰ To satisfy the FBI's concerns, the Department agreed that any formal proceeding would be postponed or suspended if the FBI indicated that it "might interfere with sound investigative techniques." The FBI was assured that the plan "does not involve any abandonment by the Department of its present facilities for obtaining information in connection with subversive activities by surveillance of counterespionage," and there would be "no public disclosure of any confidential informants...without the prior approval of the Bureau."¹¹ Thus, from 1941 to 1943, the Justice Department had the machinery to oversee at least this aspect of FBI domestic intelligence.

The wartime detention plans envisioned entirely civilian proceedings for arrest of alien enemies following a presidential proclamation pursuant to statutory provisions, and all warrants should be authorized and issued by the Attorney General.¹² Separate instructions stated that, with respect to American citizens on the list and "not subject to internment," a Departmental committee would consider whether specific persons should be prosecuted under the Smith Act of 1940 "or some other appropriate statute" in the event of war.¹³

FBI instructions to the field reiterated the types of organizations whose members should be investigated under the Custodial Detention Program. In addition

to the groups listed in 1940, the order included the Socialist Workers Party (Trotskyite), the Proletarian Party, Lovestoneites, "or any of the other Communist organizations or...their numerous 'front' organizations," as well as persons reported as "pronouncedly pro-Japanese."¹⁴

FBI officials were concerned that the Department plan did not provide sufficiently for action against citizens. In addition to the Smith Act of 1940, FBI officials pointed out to the Department "the possibility of utilizing denaturalization proceedings." At the FBI's request, the Special Departmental Unit prepared "a study of the control of citizens suspected of subversive activities." As later summarized by the FBI, the study stressed:

*"...the great need for a federal overall plan of legislation to control suspected citizens, rather than isolated statutes which would care for particular citizens...." It was pointed out that the British system of defense legislation had been to enact a general enabling statute under which the executive authority is permitted to promulgate rules and regulations having the effect of law, and it was suggested that, if this country entered the war, a similar type of statute should be enacted which would enable the President to set up a system of regulations subject to immediate change and addition as the need arose.*¹⁵

Attorney General Francis Biddle did not endorse this position. Instead, the Department's Special Unit relied upon recently enacted specific statutes as the basis for its planning. These included the Foreign Agents Registration Act of 1938, the Smith Act of 1940 making it a federal crime to urge military insubordination or advocate the violent overthrow of the government, and the Voorhis Act of 1941 requiring the registration of organizations having foreign ties and advocating the violent overthrow of the government.

Acting at "the postinvestigative level," the Special War Policies Unit considered these and other statutes as the basis for coordinating "affirmative action on the internal security front." Its annual report in 1942 stated:

The Unit deals with new forms of political warfare. As part of its equipment, it has engaged analysts with

*special experience and schooling in the field of political organization and ideologies. The Unit has not only sought to collate information regarding dangerous individuals and organizations; it has sought to bring together a trained staff equipped to understand the methods, beliefs, relationships and subversive techniques of such individuals and organizations for the purposes of initiating appropriate action.*¹⁶

During the period 1941-43 the Special Unit included a Foreign Agents Registration Section, a Sedition Section, an Organizations and Propaganda Analysis Section, and a Subversives Administration composed of a Nazi and Fascists Section and a Communist Section. The Special Unit initiated such wartime measures as the internment of several thousand enemy aliens, the denaturalization of members of the German-American Bund who had become American citizens, sedition prosecutions, exclusion of publications from the mail, and prosecution of foreign propaganda agents. The Unit received and analyzed reports from the FBI, the State Department, the Office of War Information, and the Office of Strategic Services. Attorney General Biddle abolished the Special Unit in July 1943 and transferred its prosecutive functions to the Criminal Division.¹⁷

In 1943, Attorney General Biddle also decided that the Custodial Detention List had outlived its usefulness and that it was based on faulty assumptions. His directive to the FBI and the Departmental Unit stated:

There is no statutory authorization or other present justification for keeping a "custodial detention" list of citizens. The Department fulfills its proper function by investigating the activities of persons who may have violated the law. It is not aided in this work by classifying persons as to dangerousness.

Apart from these general considerations, it is now clear to me that this classification system is inherently unreliable. The evidence used for the purpose of making the classifications was inadequate; the standards applied to the evidence for the purpose of making the classifications were defective; and finally, the notion that it is possible to make a valid determination as to how dangerous a person is in the abstract and without reference to

*time, environment, and other relevant circumstances, is impractical, unwise, and dangerous.*¹⁸

Upon receipt of this order, the FBI Director did not abolish the FBI's list. Instead, he changed its name from Custodial Detention List to Security Index.¹⁹ The new index continued to be composed of individuals "who may be dangerous or potentially dangerous to the public safety or internal security of the United States." Instructions to the field stated:

*"The fact that the Security Index and Security Index cards are prepared and maintained should be considered strictly confidential, and should at no time be mentioned or alluded to in investigative reports, or discussed with agencies or individuals outside the Bureau other than duly qualified representatives of the Office of Naval Intelligence and the Military Intelligence Division, and then only on a strictly confidential basis."*²⁰

The Attorney General and the Justice Department were apparently not informed of the FBI's decision to continue the program to classify dangerous individuals but under a different name.

Moreover, FBI investigations did not conform to Attorney General Biddle's statement that the Justice Department's proper function was investigation of "the activities of persons who may have violated the law." The FBI Director's instructions at the end of the war emphasized that the Bureau investigated activities "of prosecutive or intelligence significance."²¹ However, toward the end of the war, the FBI did limit substantially its investigation of individual Communists. Orders to the field requiring investigation of every member of the Communist Political Association (CPA) (as the Party was named during 1943-1945) were modified in 1944, when field offices were instructed to confine their investigations to "key figures in the national or regional units of the CPA." This directive received "widely varying interpretations" in the field, and many offices "continued to open cases on the basis of membership alone." Further instructions in April 1945 stated that investigations were restricted to "key figures" or "potential key figures" rather than to all members as had been the policy before 1944. Security Index

cards were "prepared only on those individuals of the greatest importance to the Communist movement."²²

At the end of the war, the head of the FBI Intelligence Division, D. M. Ladd, recommended to Director Hoover another cutback in operations. This proposal was approved by the FBI Executive Conference, and the State Department and the Justice Department's Criminal Division were advised of the changes.²³ FBI field offices were:

"...instructed to immediately discontinue all general individual security matter investigations in all nationalistic categories with the specific exceptions of cases involving communists, Russians, individuals who nationalistic tendencies result from ideological or organization affiliation with Marxist groups such as the socialist Workers Party, the Workers Party, the Revolutionary Workers League or other groups of similar character and members of the Nationalist Party of Puerto Rico."

The FBI would open "no new general individuals security matter investigations...unless they fall within the above specific exceptions." However, the instructions permitted the field to continue investigating "individuals whose activities were of paramount intelligence importance such as individuals closely allied with political or other groups abroad, individuals prominent in organizational activity of significance, or individuals falling within similar categories." The instructions added:

It is realized, of course, that in connection with the intelligence jurisdiction of the Bureau it will be necessary to investigate the activities and affiliations of certain individuals considered key figures in nationalistic and related activities or considered leaders of importance in various foreign nationality groups.... If in such an instance you have any question as the advisability or desirability of instituting such an investigation in view of the above instructions, you should, of course, refer the matter to the Bureau for appropriate decision.

This flexibility specifically allowed for the investigation of "fascist individuals of prosecutive or intelligence significance."²⁴

President Roosevelt's Directive of December 1941 on the FBI's SIS reads as follows:

In accordance with previous instructions the Federal Bureau of Investigation has set up a Special Intelligence Service covering the Western Hemisphere, with Agents in Mexico, Central America, South America, the Caribbean, and Canada. Close contact and liaison have been established with the Intelligence officials of these countries.

In order to have all responsibility centered in the Federal Bureau of Investigation in this field, I hereby approve this arrangement and request the heads of all Government Departments and Agencies concerned to clear directly with the Federal Bureau of Investigation in connection with any intelligence work within the sphere indicated.

The Director of the Federal Bureau of Investigation is authorized and instructed to convene meetings of the chiefs of the various Intelligence Services operating in the Western Hemisphere and to maintain liaison with Intelligence Agencies operating in the Western Hemisphere: (Confidential Directive to the Heads concerned, 12/41.)

An agreement between the FBI and military intelligence dealing with Special Intelligence operations in the Western Hemisphere: cited Presidential "instructions" of June 24, 1940 and January 16, 1942. It described FBI responsibilities as follows:

"The Special Intelligence Service will obtain, primarily through undercover operations supplemented when necessary by open operations, economic, political, industrial, financial and subversive information. The Special Intelligence Service will obtain information concerning movements, organizations, and individuals whose activities are prejudicial to the interests of the United States." (Agreement between MID, ONI and FBI for Coordinating Special Intelligence Operations in the Western Hemisphere, 2/25/42.)

The following sections from a Joint Chiefs of Staff Directive on the functions of the Office of Strategic

Services indicate overlap between FBI and OSS operations in 1943:

3. Secret Intelligence

a. The Office of Strategic Services is authorized to: (1) Collect secret intelligence in all areas other than the Western Hemisphere by means of espionage and counter-espionage. In the Western Hemisphere, bases already established by the Office of Strategic Services in Santiago, Chile, and Buenos Aires, Argentina, may be used as ports of exit and of entry for the purpose of facilitating operations in Europe and Asia, but not for the purpose of conducting operations in South America. The Office of Strategic Services is authorized to have its transient agents from Europe or Asia touching points in the Western Hemisphere transmit information through facilities of the Military Intelligence Service and of the Office of Naval Intelligence.

4. Research and Analysis

The Office of Strategic Services will (1) furnish essential intelligence for the planning and execution of approved strategic services' operations; and (2) furnish such intelligence as is requested by agencies of the Joint Chiefs of Staff, the armed services, and other authorized Government agencies. To accomplish the foregoing *no geographical restriction is placed* on the research and analysis functions of the Office of Strategic Services.... (Emphasis supplied).

(JCS Directive: Functions of the Office of Strategic Services, JCS 155/11/D, 10/27/43.)

German Espionage Ring Captured

In January 1943, Kurt Frederick Ludwig and eight of his associates were sentenced to terms of imprisonment ranging from five to 20 years after their convictions on charges of espionage in the United States.

The case began when British Imperial Censorship at Bermuda intercepted a letter destined for Spain. The writer of the letter signed it as "Joe K."

Laboratory tests of the letter found secret writing on the reverse side that provided the identities and the cargoes of ships leaving New York harbor for Great Britain. Subsequent letters written by "Joe K." were intercepted. The return address on all the letters was determined to be fictitious.

The FBI's investigation was going nowhere until March 18, 1941, when two men attempted to cross a busy street near Times Square in New York City. One, a middle-aged man wearing horn-rimmed glasses and carrying a brown briefcase, carelessly stepped in front of a taxi and was fatally injured. His companion, unconcerned over the fate of his friend, grabbed the brown briefcase and swiftly disappeared into the crowd.

The injured man was identified as Julio Lopez Lido. His body was unclaimed for a time but the Spanish Consulate in New York finally buried him. His companion, who ran from the scene of the accident, called the hotel where the injured man was staying and asked that his room be kept intact until further notice. In the meantime the hotel management informed the local authorities, and they began a check of the mysterious circumstances surrounding the traffic accident.

Local officials discovered documents in the hotel room, which they turned over to the FBI. The Bureau was able to determine that Lido was actually Capt. Ulrich von der Osten, a Nazi army officer who had entered the United States via Japan only a month prior to his death. Capt. von der Osten was to direct the activities of a group of spies in the United States.

The FBI was also able to identify the man who ran from the accident scene as Kurt Frederick Ludwig. Ludwig continued von der Osten's work by sending information to the Third Reich. Ludwig made a practice of visiting the docks in New York Harbor and along the New Jersey coast where, from his observations, he could report information to Germany concerning the identities of ships and the nature of their cargoes. He also visited various Army posts in the New York area where he observed the strength of the armed forces, their identities, the quality and quantity of their weapons, and any other details, which he believed would be of interest and value to his superiors.

The FBI conducted surveillance on Ludwig to determine his contacts. On one occasion during May 1941, he took an extended trip to Florida accompanied by Lucy Boehmler, an 18-year-old girl of German origin, who acted as his "secretary" and, as a matter of fact, assisted him in preparing the secret messages to his superiors and in maintaining detailed records covering his observations. On the trip they passed through Army camps, aviation fields, and industrial centers engaged in manufacturing wartime material.

When he arrived in Miami, Ludwig contacted Carl Herman Schroetter who was waiting for the call, having been briefed by a Dr. Ottis when Schroetter visited Germany two years before. It was through Schroetter that Ludwig was able to report to Germany concerning the progress being made constructing the naval air base near Miami.

Another of Ludwig's associates was Rene C. Froehlich, an enlisted man in the US Army stationed at Governor's Island in New York Harbor. Froehlich picked up Ludwig's mail when the latter was out of town.

Mrs. Helen Pauline Mayer had previously assisted Ludwig in gathering information on aircraft construction from plants located on Long Island. Her husband had returned to Germany via Japan and became stranded there when Russia entered the war. Mrs. Mayer was preparing to follow her husband to Japan when the FBI arrested her.

Hans Helmut Pagel and Frederick Edward Schlosser, two youths of German origin and Nazi ideologies, assisted Ludwig in making observations of various docks and military establishments in the New York area and in mailing communications to the mail drops abroad. Karl Victor Mueller also assisted in mailing letters.

Last, but not least, Maj. Paul Borchardt of the German Army helped Ludwig prepare the secret writing messages. Borchardt served in the German Army from 1914 to 1933, when he claimed he was discharged because of his non-Aryan extraction. He entered the United States as a refugee, claiming to have escaped from a German concentration camp and aided by friends to escape the Third Reich. Borchardt

held lengthy conferences with Ludwig at Borchardt's residence. At the time of his arrest, the FBI found secret writing materials in his apartment.

During August 1941, Ludwig began a cross-country trek, surveilled by the FBI. He traveled as a hunted man, forcing his car along country roads through the Midwest at speeds of 90 miles-per-hour. Using the back roads became a chore for Ludwig who, when he stopped at a cabin in Yellowstone Park, decided to destroy any incriminating evidence he had but was not successful. Proceeding to Missoula, Montana, the next day he stored his automobile, shipped his entire luggage except for the bare necessities to relatives on the East Coast, and continued his journey by bus. A search of his car revealed an expensive shortwave radio receiver.

In view of indications that Ludwig was thinking of departing the United States when he reached the West Coast, the FBI at Cle Elum, Washington, arrested him on August 23rd.

Ludwig and his associates were subsequently indicted in Federal Court in New York City on charges of conspiracy to violate the Espionage Statutes. Ludwig, Froehlich, and Borchardt were sentenced to 20 years each. Mayer, Mueller, and Pagel each received 15 years while Schlosser received a sentence of 12 years, Schroetter received 10 years, and Lucy Boehmler was sentenced to five years.

Counterintelligence Operations

In line with his accepted responsibility for providing necessary intelligence to the War Department and US Army, the Assistant Chief of Staff (ACofS) G-2 had always been called upon to perform the opposite mission of preventing our own military information from falling into improper hands. This latter function naturally included required staff supervision over all counter-measures taken to detect espionage, sabotage, or subversion aimed at any part of the military establishment. While the need for the Military Intelligence Division (MID) to explore the foreign aspects of such matters was duly recognized by higher authority, these same authorities kept insisting that military personnel should not become implicated in

domestic counterintelligence unless the operations were plainly traceable either to the Army itself or to industrial plants engaged in defense production. Nevertheless, the Joint Army-Navy Board was permitted to prepare an extensive plan for censoring international communications to and from the United States in the event of war, and the departmental intelligence officials participated actively in this significant security effort.²⁵

The difficult problem of how best to protect personnel of the military establishment from subversion or potential subversion likewise soon came to the fore. Derived generally from a provision contained in the so-called Hatch Act of 2 August 1939, making it illegal to employ in any government capacity persons holding membership within a "political party or organization which advocates the overthrow of our constitutional form of government," the Army had adopted a firm policy of excluding Communists and Communist sympathizers entirely from its ranks. After passage of the Selective Training and Service Act on 16 September 1940, however, this policy needed careful reexamination in light of enforced induction into the military service. Hence, during June 1941, it was announced that pending a final determination in each individual case, "persons strongly suspected of membership in the Communist Party or who appeared to be consistent followers of the Communist Party line" would not be assigned on sensitive duty or granted an officer commission.²⁶ At the same time, instructions were issued covering the proper processing of discharges for subversive Civil Service personnel,²⁷ while correspondence was initiated between the ACofS G-2 War Department General Staff (WDGS) and key G-2s in the field about the possibility of discharging subversive enlisted men under current Army regulations.²⁸

With this then representing the general military security situation just prior to Pearl Harbor, the sudden opening of the war found the Counter Intelligence Branch of MID divided into six main sections designed respectively to handle matters bearing upon Domestic Intelligence, Investigations, Plant Intelligence, Safeguarding Military Information, Special Assignments, and Corps of Military Police. It was not only a separate and distinct element established directly under the ACofS G-2 but also on

the same level as the corresponding Intelligence Branch.²⁹ On the other hand, it had recently lost several earlier functions through relinquishing its public information duties to the newly organized Bureau of Public Relations and transferring a number of operational activities to the Office of the Provost Marshal General. Effective 1 January 1942, it also witnessed the favorable consummation of a major counterintelligence project for the US Army in the development of a Counter Intelligence Corps (CIC) from the former Corps of Intelligence Police. The ACoFS G-2 could thus assume direct staff control over a suitable troop means to uncover and investigate espionage, sabotage, or subversion within the military establishment.

The most pressing military security problem right after Pearl Harbor was to achieve a satisfactory coordination of effort among the principal governmental agencies involved. The declaration of martial law in Hawaii, formation of Defense Commands on both coasts of the United States, and imperative need to provide adequate protection for the Panama Canal had altered security conditions so that the current MID-ONI-FBI Delimitation Agreement was no longer strictly applicable. Gen. Lee, the Acting ACoFS G-2, therefore, took immediate steps to ascertain J. Edgar Hoover's personal views regarding the effect of martial law on FBI jurisdiction within the territory of Hawaii. The FBI chief replied that he considered his agency was now relieved of entire responsibility for conducting investigations of "espionage, sabotage and all other national defense operations" therein. He had already instructed the Special Agent in Charge in Honolulu to make available to the appropriate military authorities all information, data, and material at hand, while affording them the full benefit of experience and observations gained before the war declaration. Furthermore, this same Special Agent in Charge was not to start any new investigations or carry out any additional investigative work, which might be considered as impinging upon the national defense field.³⁰

Despite this indication of willing cooperation between the FBI and military intelligence officials in Hawaii, there was still a considerable amount of uncertainty and friction with reference to the exact

delineation of investigative responsibilities that should hold among the numerous departmental counterintelligence groups functioning throughout the Western Hemisphere. This was especially true on the West Coast of the United States for security activities taking place in the Western Command and Alaska.³¹ Finally, effective 9 February 1944, Gen. Raymond E. Lee, Adm. Theodore Starr (Ping) Wilkinson, and Hoover executed a new Delimitation Agreement to replace the previous one of 28 June 1940. Although this latest agreement retained most of the basic features of its predecessor, it also listed three different situations under which a national security plan might be called upon to operate. These were during a "Period of Martial Law," "Periods of Predominant Military Interest Not Involving Martial Law" and "Periods of Normal Conditions."³²

Under this new agreement, where there was already martial law, as in Hawaii, the Military Commander admittedly possessed complete authority to coordinate all intelligence activities of governmental agencies and assign missions to them within the limits of their respective personnel and facilities. In areas prominent only as potential theaters of operations, however, such as the West Coast of the United States and Alaska, the Military Commander was now limited to requesting information from the three participating agencies "as he may desire and they may be able to furnish." Moreover, during periods of normal conditions, MID would continue to perform the following security missions:

1. Investigation and disposal of all cases in these categories (espionage, counterespionage, subversion, and sabotage) in the military establishment including civilian employ, military reserve, and military control.

2. The investigation of cases in these categories involving civilians in the Canal Zone, the Republic of Panama, the Philippine Islands, and the Alaskan Peninsula and islands adjacent including Kodiak Island, the Aleutian and Probilof Islands, and that part of the Alaskan Peninsula, which is separated by a line drawn from Iliamna Bay northwest to the town of old Iliamna and thence following the south shore of Lake Iliamna to the Kvichak River to Kvichak Bay.

3. Informing the FBI and ONI of any other important developments.³³

Meanwhile, there were other important developments occurring in connection with the overall military security effort. On 8 December 1941, the Secretary of War ordered into effect certain portions of the existing Army-Navy Board plan for censoring international communications, and, shortly thereafter, the President requested Hoover to assume temporary charge of all national censorship operations.³⁴ The approved plan called for the Army to exercise censorship control over postal and landline communications under a civilian Director of Censorship but the War Department was far from ready to accomplish either of these difficult tasks except on a very small scale. Although MID had recently taken several useful steps in preparing for possible wartime censorship, its censorship section still consisted of only two officers. Nevertheless, a Basic Field Manual 30-25 (Counterintelligence), which presented detailed instructions for the initiation and conduct of military censorship, was in troop hands,³⁵ and a modified form of military censorship was operating successfully for the American units stationed at bases leased from the British in March 1941.

The Army commenced a token showing of postal censorship at a number of selected post offices across the nation on 13 December 1941. Shortly afterwards, upon passage of the First War Powers Act, the President created an Office of Censorship and appointed Byron Price to be its Director. The same Executive Order also formed a Censorship Policy Board, composed of the Postmaster General (Chairman), Vice President, Secretary of the Treasury, Attorney General, Secretary of War, Secretary of the Navy, and the Directors of the Office of Government Reports and the Office of Facts and Figures, to advise Price on policy matters and provide for necessary coordination and integration of censorship activities among all interested agencies of the US Government.³⁶ Several Army officers, especially trained in censorship work, were then assigned to the Office of Censorship for full-time duty, including Col. (later Maj. Gen.) W. Preston Corderman, who was promptly designated by Price as Chief Postal Censor. MID, therefore, soon became deeply embroiled in all

phases of both the national and military censorship efforts.

MID responsibilities relative to visa and passport control operations were likewise expanding at a rapid rate. This important security progress, based upon a Presidential Proclamation dated 14 November 1941, was being administered by the Department of State and required War Department cooperation mainly in the form of detailing military representatives to serve on a wide variety of working committees. Theoretically most of the operational functions concerning this program had already been transferred from MID to the Office of the Provost Marshal General (PMG) but, because of shortages in personnel and funds available for such purpose, orders were not issued to implement the directed changes until 5 December 1941. Even then it was estimated that the PMG offices of the corps areas would not be ready to perform any travel control investigations for more than three months.³⁷ Thus, MID Military Intelligence Service (MIS) not only continued to process all travel control requests submitted to the War Department for clearance but also participated fully in the numerous interagency committees connected therewith.

The PMG was similarly occupied at this same time in taking over several other domestic investigative functions from MID, such as those pertaining to applications for civilian employment within the military establishment or in industrial facilities working on classified projects for the War Department. Since MID was the only departmental agency authorized to contact the FBI regarding Army security matters, it also remained actively involved. Besides, the ACoS G-2 insisted on gaining complete control of counterintelligence investigations showing any evidence of subversion or disloyalty and still retaining the sole function of clearing all applicants for Army commissions. With the CIC growing steadily and at CIC section of the Counter Intelligence Group actually performing at CIC Headquarters, MID was now able to direct the accomplishment of security investigations of every type, even those of a most sensitive nature.

The War Department and Army reorganization of 9 March 1942, which created the MIS and formed Headquarters Army Ground Forces (AGF), Army Air

Forces (AAF), and Services of Supply, Army Supply Forces (SOS (ASF)), served to complicate the counterintelligence picture in many different ways. It soon became clearly apparent that the entire program stood in need of a thorough reexamination, especially from the standpoint of command responsibility and coordination procedures. A new basis War Department directive, therefore, on the subject of "Counterintelligence Activities," was prepared and issued to the major commands during June 1942. This directive not only announced that the MIS "will supervise all counterintelligence activities of the War Department" but also cautioned field commanders they would be held responsible for "counterintelligence coverage within their commands" to include taking the following measure:

Establishment of a Counter Subversive system; transmission of information emanating from this source; preliminary investigation of complaints or suspicion of subversive activities; safeguarding of information which, if released, would be detrimental to the war effort; and reference of cases arising within these categories to Counter Intelligence Corps representatives for investigation.³⁸

Under these new conditions the departmental intelligence authorities could continue to claim a high degree of direct control over counterintelligence activities at certain fixed stations within the zone of interior, such as schools, training commands, supply establishments, etc., but this was no longer true for the more flexible ground tactical or air commands. Commanders of the latter elements were thus instructed to forward prompt security reports to MIS simultaneously through both the intelligence and command channels of communications. Likewise, with reference to the extent of counterintelligence operations that should be carried out by the Headquarters of AGF, AAF, SOS (ASF), and major overseas commands, the War Department directive declared, as follows:

d. The Commanding Generals of the Ground Forces, Air Forces and Services of Supply may establish and maintain a counterintelligence staff organization for the purpose of a liaison between their respective headquarters and the War Department Military Intelligence Service, and

for such staff counterintelligence field inspections and other special operations as the Commanding Generals of the Ground Forces, Air Forces and Services of Supply may direct.

e. Beyond the territorial limits of the United States commanders of Theaters of Operation, Base Commands, Defense Commands, Departments and units of any type not under the control of the foregoing commanders are responsible for counterintelligence security coverage within their units, and will prescribe methods of operations. They will keep the Military Intelligence Service, War Department, fully informed of conditions arising within their commands.³⁹

In June 1942, the MIS Counterintelligence Group consisted of four main subgroups representing Administration, Domestic Intelligence, Safeguarding Military Information and Operations, with each of these subgroups divided into several functional branches or sections. According to the newly imposed concept, although the ACofS G-2 remained charged with "policies concerning" military security matters, he was not supposed to exercise any direct supervision over the Counterintelligence Group of MIS. This proved to be a most impracticable arrangement because the principal officers of that group were not only members of policymaking security committees but also acted regularly as departmental liaison and coordinating authorities with other counterintelligence agencies of the government. Hence, Gen. George Veazey Strong simply ignored the existing instructions and chose to maintain a close personal relationship with all key MIS officers occupied in security matters. Officially, however, an additional echelon of command had now been placed between the ACofS G-2 and his Counterintelligence Group in the person of the Chief, MIS.

Besides accomplishing customary administrative tasks for the Group Chief and functioning as an office of record, the Administrative Branch of the Counterintelligence Group had been given a number of special assignments not normal to operations of the other three branches. Personnel of this branch were thus often utilized by the Group Chief to assist in the preparation of counterintelligence summaries or estimates.⁴⁰

There were also several different sections or branches loosely grouped together under the broad designation of Domestic Intelligence for performing the following assigned tasks:

1. Subversive Agents Section—to maintain a card index file on subversive agents and thereby keep MIS abreast of the latest developments within that particular field over which FBI had primary jurisdiction.

2. Research and Summary Section—to act as the official intermediary between MIS and other governmental agencies in determining the amount or kind of security information that should be furnished to each.

3. Counterintelligence Corps Section—to execute special security missions for the combat arms of the Army.

4. Visa and Passport Branch—to provide information from MIS files for guiding the State Department in the issuance of visas, passports, exit permits, and other related travel instruments.

5. Investigative Review Section—to study reports of security investigations and submit recommendations regarding the final disposition of subversive or potentially subversive individuals under War Department control.

6. Evaluation Branch—to present, either periodically or upon specific request, summaries and estimates of the counterintelligence situation, including such matters as fifth-column activities and racial antagonism within the United States or its possessions.

7. Plant Intelligence Branch—to prepare studies on counterintelligence matters in connection with American war industry and additionally, to process alien personnel security questionnaires and pass upon requests for permission to visit important war production plants.⁴¹

Likewise, four main subordinate branches were currently assembled under the general heading of Safeguarding Military Information, as follows:

1. Censorship Branch—to prevent the passage of any military information of value to the enemy and evaluate intercepted information for appropriate dissemination.

2. Safeguarding Military Information Branch—to establish policies and procedures designed to prohibit the enemy from obtaining information about our own forces.

3. Security Branch—to supervise the security of military information through physical means and educate all personnel in the importance of this special aspect of information protection.

4. Communications Branch—to handle matters bearing upon clandestine radio stations, interception measures, radio countermeasures, technical facilities for monitoring, development of security devices, Aircraft Warning Service, and identification or recognition methods.⁴²

As its name implies, the Operations (later Investigation) Branch of the Counterintelligence Group was primarily concerned with the actual conduct of security investigations. It not only executed, directed, and coordinated all investigations of such type falling under the jurisdiction of MIS but also received reports of similar investigations performed in the field by Corps Area and Department counterintelligence personnel. During the first seven months of 1942, due to the rapid Army expansion and consequent tremendous increase in the military security progress, the workload of this branch doubled in total size. On 30 July 1942, therefore, the Group Chief found it necessary to submit an urgent plea to the Chief, MIS, for 100 additional clerks and stenographers. In justifying this extraordinary request, he called attention to the following investigative chores that were now facing his Operations Branch:

a. High priority request to clear 300 officers, enlisted men and civilian employees for duty in OPD.

b. Chief Signal Officer forwarding approximately 1000 names per week for clearance to attend Radar Schools.

c. Army Air Force forwarding at least 1000 names per week for clearance to receive training on classified equipment, such as the bombsight.

d. AGO forwarding the names of all newly appointed officers, graduates of Officer's Training Schools and others at a rate of approximately 12,000 per month. With 25,000 names of newly commissioned officers still awaiting clearance, the branch is accumulating an average of five new cases for every one it completes.⁴³

By early 1943, it had become manifest that the MID (MIS) counterintelligence effort was in prompt need of a major overhaul and readjustment. The matter remained extremely complicated, however, because of the continuing indefinite status of MIS in relation to MID, as well as persistent pressures from higher authority for the departmental agency to relinquish all domestic intelligence activities and confine its counterintelligence functions strictly to policy supervision. This type of pressure had already taken the form of a detailed survey made by Bureau of the Budget management personnel covering MIS operations with particular reference to domestic intelligence and safeguarding military information.⁴⁴ The study had resulted in a number of conclusions and recommendations pointing toward the desirability of combining certain operational counterintelligence duties within MIS and transferring several others to outside agencies.

The Chief of the Counterintelligence Group, MIS, not only registered a substantial exception to most of these Bureau of the Budget recommendations but also noted that they seemed to be "based almost entirely on consideration of procedures and economy and overlooked the principles and techniques of intelligence."⁴⁵ Notwithstanding, on 26 November 1942, the Deputy Chief of Staff forwarded a memorandum to the ACoS G-2 and PMG instructing them jointly as follows:

1. PMG to discontinue the use of MIS files in making future loyalty checks and deal directly with the FBI. Similarly, PMG is now authorized to receive any investigative reports from FBI that might assist in discovering plant subversives.

2. MIS to rely entirely on FBI summaries, special reports and personal contacts to satisfy that portion of the counterintelligence function previously obtained from individual FBI investigative reports.

3. MIS to discontinue the receipt and filing of all FBI investigative reports unless they fall under the following classification:

a. Reports of subversive activities outside the United States.

b. Reports of subversive activities implicating a member of the military forces, a person just entering the military forces or an employee of the War Department.

4. Plant Intelligence Branch of the Counterintelligence Group to be abolished.

5. Present relationships between G-2 and FBI to remain unchanged, except for the direct PMG-FBI communication as described.⁴⁶

In compliance with this terse directive, Gen. Strong ordered immediate abolishment of the Plant Intelligence Branch and assigned its residual research functions to the Evaluation Branch. Since the ramifications of the rest of the directive were so far reaching and even threatened to compromise the terms of the current MID-ONI-FBI Delimitation's Agreement, which was originally based on an Executive Order, he felt further constrained to inform the Deputy Chief of Staff along the following lines:

...With reference to paragraph 3 of your directive, it is to be noted that an exact and literal compliance will include discontinuance and filing of all FBI investigative reports now received from FBI on the following subjects:

a. Espionage.

b. Counter Espionage.

c. Counter Intelligence.

d. Sabotage.

e. The activities of registered foreign agents and non-registered foreign agents.

f. Unethical conduct of military attaches or other accredited foreign personnel.

g. Subversive activities occurring on military reservations in which military personnel are not implicated.

h. Subversive activities involving destruction of War Department property by sabotage or other means.

i. Subversive activities resulting in interference with transportation of raw materials or the production and distribution of war material.

j. Subversive acts committed by civilians outside the military establishment that may affect adversely members of the military establishment.

k. Activities of individuals suspected of propaganda influencing military personnel under military control.

l. Investigative reports of a similar nature pertaining to subversive activities within the United States but not implicating members of the Army or employees of the War Department.⁴⁷

While Gen. Strong may have been inclined to overstate his case in this particular protest, it does seem plainly apparent that the departmental administrative authorities had not thought the matter out to a proper conclusion before issuing their 26 November 1942 directive. That they were really more interested in saving personnel spaces than in giving careful consideration to the difficult functional problems of the ACoS G-2 also becomes evident in view of the following inadequate reply he received from them on 2 December:

...2. This directive will not be interpreted to authorize the continuation of present practices, which involve the scrutinizing, and filing of a vast number of FBI individual investigative reports.

...3. Questions on the procedure to be followed in transferring the files can be answered by referring to the contents of the MIS study prepared by the Bureau of the Budget and forwarded to G-2 under date of October 17, 1942.⁴⁸

The irony is that at the very time the Deputy Chief of Staff's Office was trying so determinedly to reduce MID (MIS) domestic counterintelligence activities, the agency was gathering added responsibilities within the same field from other sources. For example, during May 1942, the Deputy Chief of Staff, acting for the Secretary of War, authorized the ACoS G-2 to form a Special Information Branch in MIS to monitor telephone conversations taking place at all War Department buildings. This not only called for the installation of a considerable amount of special switchboard equipment but also required a force of 10 officers, 53 enlisted women, and one civilian in order to perform the monitor duty. With a total of 12,000 lines made available to them for surveillance, these personnel were soon averaging about 3,000 such missions per day and submitting as many as 4,550 reports for a single month of activity.⁴⁹

Other instances of this marked trend toward MID (MIS) acquiring further counterintelligence responsibilities were:

1. In May 1942, there were four interdepartmental primary committees and five review committees operating under the Visa Division of the State Department, with MID (MIS) represented on each. Since plans were being made to require all American seamen traveling to and from foreign ports to hold valid passports, the Passport Division of the Department of State appointed a new interdepartmental committee for the purpose of processing such applications. This meant the assignment of one more MID (MIS) officer on travel control duty. Likewise, when a Maritime Labor Committee composed of the Secretary of State, Attorney General, and War Shipping Administrator became gravely disturbed over the alien seamen situation, especially in regard to their immigration status, jumping ship, deportation, etc.,⁵⁰ it led to the creation of another interdepartmental committee charged with "considering problems incident to the entry into the United States

of all aliens and citizens brought by neutral or chartered vessels.” Lemuel Schofield was designated by the Attorney General to function as chairman and coordinator for this committee, with Lt. Col. G.D. Dorroh, Chief of the Visa and Passport Branch of the Counterintelligence Branch, and MIS named by the Secretary of War to represent the War Department on it.⁵¹

2. Effective 2 June 1942, because of the ever-increasing demands for trained censorship officers, the ACofS G-2 was granted permission to establish a Censorship School at Fort Washington, Maryland, under the direction of the Counterintelligence Group, MIS. It was then estimated that a minimum of fifteen additional officers would be needed for operating this new facility.⁵²

3. During August 1942, when the US and Japanese Governments entered into an exchange agreement to repatriate certain interned nationals, it became necessary for MID (MIS) to join with the State Department, ONI, and FBI in screening all personnel slates pertaining thereto.⁵³

4. On 13 November 1942, the function of determining what war production information should be released to various governmental or non-governmental agencies, as well as maintaining uniform security standards for information of that nature, was transferred from the Bureau of Public Relations (BPR) to MIS. A “Committee for Protection of Information” had been performing this counterintelligence task in the BPR since 11 July 1942.⁵⁴

It must not be presumed from the continuing drive by higher authority to reduce the MID (MIS) domestic security effort that the Counterintelligence Group was engaged solely in operational-type activities. As a matter of fact, one of the most difficult features of the entire affair lay in attempting to separate its so-called general staff functions from those that were considered to be operational. For example, the Evaluation Branch of the Counterintelligence Group was a true research unit and directly involved in the production of military intelligence both for departmental and Army use. Having been charged with maintaining “a comprehensive picture of the total

subversive situation prevailing in the United States and territories wherein American troops are stationed,” it not only prepared studies on subversive elements but also disseminated finished intelligence bearing upon that subject in the form of numerous reports, bulletins, and summaries. To assist in accomplishing this mission, the branch established close liaison with corresponding units in “ONI, FBI, Office of National Censorship, Department of Justice, Internal Revenue and Department of State” and constantly sought to acquire an intimate knowledge of the following “subversive or potentially subversive groups”:

- | | |
|--------------|-------------------------|
| 1. Nazi | 8. White Russian |
| 2. Communist | 9. Vichy France |
| 3. Fascist | 10. Korean |
| 4. Japanese | 11. Bulgarian |
| 5. Falange | 12. Syrian |
| 6. Hungarian | 13. Domestic Fascist |
| 7. Ukranian | 14. Negro ⁵⁵ |

With MID (MIS) already in the process of being gradually divested of its domestic intelligence function, there was a natural and parallel expansion of ASF operations within the same field.⁵⁶ When ASF (SOS) was first created in March 1942, the ACofS G-2 still retained direct control over military intelligence activities throughout the US Army, so there appeared little need for an intelligence unit at Headquarters, ASF, except for a small group capable of handling local security matters. By April 1943, however, it was obvious that some sort of a central G-2 agency would be required to satisfy ASF responsibilities in connection with PMG, Service Command, and National Guard Bureau domestic intelligence activities, as well as to take positive steps in meeting the growing demand for better coordination of the technical intelligence effort. Effective 20 April 1943, therefore, the Commanding General announced the establishment of a Security and Intelligence Division in Headquarters, ASF, and designated Col. James M. Roamer to be its director. Shortly thereafter, the name of this new staff unit was shortened to the Intelligence Division, and it became organized into a Technical Intelligence Branch, Counter Intelligence Branch, and Security Control Group.⁵⁷

Even though the Director of Intelligence, ASF, was now being held responsible by his own commander for “military intelligence in the Army Service Forces,” MID (MIS) continued to exercise a considerable degree of direct staff supervision over intelligence operations within the service commands, as well as the CIC personnel assigned there. Col. Leslie R. Forney, the newly designated Chief of the Counterintelligence Group, MIS,⁵⁸ however, had embarked upon a program aimed at curtailing several activities which he felt were either a duplication or might better be decentralized to some other agency of the military establishment. For example, arrangements were soon completed to transfer a highly trained group of CIC officers and enlisted men to the Manhattan Project without reserving any MID (MIS) control over them, and, early in July 1943, all operational security functions that would normally be executed by a service command for the Washington, D.C. area were shifted from MIS to Headquarters, Military District of Washington.⁵⁹

The politically involved question of controlling subversive or potentially subversive personnel, notably Communist Party members and consistent followers of the Communist Party line, kept plaguing the department security officials.⁶⁰ A fixed policy in this regard had been announced on 19 May 1942, which not only emphasized the practice of assigning suspect enlisted men to elements other than the Army Air Forces, Signal Corps, Chemical Warfare Service, Armored Force, Tank Destroyer Command, or Airborne Command but also formed special units within the service commands for transferring “potentially more dangerous individuals” and giving them duties “with no opportunity of effective subversion.”⁶¹ Likewise, in bending every possible effort to keep disloyal personnel from holding commissions as officers, the following instructions were issued:

*When careful and complete investigation has established that a commissioned officer, whether on active duty or not, is so lacking in loyalty, character, integrity or discretion that for him to continue to hold a commission in the Army of the United States is considered a detriment to the National war effort, recommendation for his discharge will be forwarded immediately to the War Department.*⁶²

The list of elements to which potential subversives could not be assigned was shortly extended to include the Amphibious Corps, Ports of Embarkation, Staging Areas, Officer Candidate Schools, and any unit or organization alerted for foreign service or service in Alaska. The problem of preventing Communists from gaining admittance to the Officer Candidate Schools, however, continued to pose serious difficulties because under the current system commissions were being granted at these schools automatically to all graduates and without any prior reference to MID (MIS) for a security check.⁶³ Moreover, with the Party line having undergone a convenient switch to provide for full cooperation with the Allied war effort right after the German invasion of Russia, more and more Communists and fellow travelers were seeking to qualify for entrance into such schools. As a matter of fact, strict application of the adopted policy of segregating potential subversives had already been softened somewhat, even for noncommissioned officers, in an avowed attempt to conserve manpower.⁶⁴

Outside pressures were now rapidly building up in all directions with reference to this sensitive subject. It was argued, for example, that the segregation policy had merely tended to relieve Communists from the hazards of combat duty and even encouraged the dissemination of Communist doctrine throughout the country.⁶⁵ Although the Chief of Counterintelligence Group, MIS, still held that every effort should be made to minimize the number of Communists receiving commissions, he believed officers of such type who were already commissioned should “no longer be discharged except in aggravated cases.”⁶⁶ On the other hand, early in April 1943, the ACofS G-2 forwarded a SECRET directive through intelligence channels to the major commands reiterating among other things that persons proved to be, or suspected of being, Communists or adherents to the Communist Party line would not be permitted to attend or to remain in Officer Candidate School.⁶⁷

Despite the fact that the recipients of this new letter were cautioned to exercise extreme care in preserving its security and greatest discretion in carrying out its provisions, the Communist Party launched an immediate and violent propaganda campaign against

Army counterintelligence procedures. Spearheaded by the Veterans of the Abraham Lincoln Brigade organization, this campaign took the form of heavy attacks in the so-called liberal press along with a flood of critical letters addressed to the White House, Cabinet, Congress, and high officials of the War Department.⁶⁸ Accordingly, some 40 cases concerning individuals of alleged subversive connections who had either been removed from Officer Candidate Schools or failed to receive a commission upon graduation, were resubmitted to the Secretary of War's Personnel Board for the stated purpose of determining whether or not any injustice had occurred. These cases were also subject to final review by the Office of the Deputy Chief of Staff, acting in consultation with the Assistant Secretary of War. While the Personnel Board, under the chairmanship of former Chief of Staff Gen. Malin Craig, sustained all but one of these earlier actions, the final reviewing authority confirmed only 25 of them.⁶⁹ In registering an emphatic dissent from a recent request for reconsideration forwarded to his Board by the Office of the Assistant Secretary of War, which recommended that three Communists should be granted Army commissions, Gen. Craig seems to have summed up the entire matter in most expressive terms, as follows:

This is one of a number of cases of individuals who have been denied commissions because of Communistic ideas, affiliations, or leanings. For twenty years or more the policy of the War Department, in time of peace, has been to prevent men of this character serving in the Armed Forces. Since the war they have been allowed to fight for the country through induction or enlistment. While they should be allowed to fight for the country that is not, of itself, any reason why they should be commissioned. It is a well-known fact that men of this type cannot be trusted in many such respects, in spite of what they may profess at any particular time. They will deny Communistic affiliations when it suits their purpose, or even refrain from such affiliations when it suits their purpose or the orders of their leaders, thus advancing the general cause. This unreliability, if nothing else, is sufficient cause for excluding them from commissions in the officers' corps of the Army. It is further unwise to introduce into the Armed Forces as commissioned officers, men who are tainted with

political ideas which are abhorrent to the vast majority of the citizens of the United States, whose whole-hearted allegiance to the United States is at least questionable, and whose methods are such as to resort to insidious and undercover operations to gain their ends.⁷⁰

With the military security effort now coming under increased criticism from all sides, the Deputy Chief of Staff, on 16 July 1943, directed the Inspector General, Maj. Gen. Virgil L. Peterson, to conduct a thorough investigation of the situation and make appropriate recommendations on:

The existing organization, scope of activities, and operating procedures of the Directors of Intelligence of the Service Commands and their offices, including military personnel allocated by the Service Commands for such duty, counter intelligence corps police attached to the Service Commands by G-2, civilian employees allotted by the Service Commands, and civilian employees made available by allocation of funds by G-2; the relationship between the Military Intelligence Division, War Department General Staff (Counterintelligence Branch) and the officers of the Directors of Intelligence of the Service Commands.⁷¹

Additional oral instructions were likewise given him on 11 August and 7 September 1943, for extending his investigation so as to cover:

The investigative functions of the Provost Marshal General at Service Commands and the possible duplication and overlapping of the investigative functions with those made by the intelligence personnel allotted to the Service Commands; the C/S System; and the correlation of intelligence of the Service Commands, those of the Army Air Force units and installations and Army Ground Force, and the Military Intelligence Division, G-2, WDGS.⁷²

In making this directed counterintelligence study, Gen. Peterson concentrated upon examining the Investigation and Review, Situation, and CIC Branches of MID (MIS) in order to ascertain their strength, organization, and command relationships with security personnel stationed at the service commands.⁷³ He found that the Investigation and Review Branch currently consisted of 29 non-CIC

officers and 30 civilians. Similarly, the CIC Branch, now located at Baltimore but still furnishing a number of key personnel for the CIC Advanced Training School in Chicago, was composed of 64 CIC officers and 31 civilians. There were also 368 officers, 2,598 enlisted men, and 770 civilians engaged in intelligence activities within the service commands, the majority of them being carried as War Department overhead. In Peterson's opinion, MID (MIS) was exercising a close control over most of these personnel in the performance of their assigned military security duties.⁷⁴

The Inspector General remained especially critical of the fact that such centralized direction of the counterintelligence effort within the zone of interior was in direct violation of basis command principles for the US Army. He also felt that the countersubversive detection system as called for under TM 30-205 infringed upon these same command principles, so the existing organization should be turned over to the individual commanders for use at their own discretion. Furthermore, he considered that both the PMG and CIC were conducting many unnecessary and unproductive security investigations and including too much nonfactual data under their final investigative reports. Derived from these several conclusions, therefore, he recommended a number of fundamental changes in counterintelligence procedures for the zone of interior, which were all promptly approved by the Deputy Chief of Staff without any prior reference to the ACoS G-2.⁷⁵

On 14 December 1943, new War Department orders on basic counterintelligence functions within the zone of interior were issued, as follows:

1. The ACoS G-2, WDGS, will continue to exercise general staff supervision over counterintelligence policies and activities throughout the military establishment.

2. Subject to the above and such other exceptions as may be made by appropriate WD authority, all functions and activities of the CIC within the zone of interior will become the responsibility of the Commanding General, ASF.

3. Investigative functions hitherto executed separately by the CIC and PMG will be consolidated into a single staff agency under each service command.

4. All CIC personnel attached or stationed in service commands but performing ASF activities, other than those selected by the ACoS G-2, WDGS, for advanced training or overseas duty, will be transferred from the CIC and assigned to the service command.

5. Civilian personnel presently assigned to MID (MIS) but located in service commands and performing ASF activities, will be transferred to the service command.

6. Military and civilian personnel of the Counterintelligence Group, MID (MIS), as mutually agreed upon between the ACoS G-2 and CG, ASF, will be transferred to the ASF.⁷⁶

Under the new counterintelligence situation, CIC personnel could now be utilized, with certain specific exceptions, only in theaters of operations. Notwithstanding, the ACoS was still held responsible for coordinating the procurement and shipment of CIC units for CIC duty and the administration of CIC specialized training to be conducted at Camp Ritchie, Maryland.⁷⁷ His means for accomplishing these retained functions had been effectively removed, however, through the complete abolishment of CIC Headquarters, which was in reality the CIC Section of the MIS Counterintelligence Branch and CIC Staging Area at Fort Holabird, Baltimore, Maryland.⁷⁸ To make matters worse, the existing military security system was badly upset not only by the sudden decision of TM 30-205 countersubversive instructions but also under an utterly impractical provision of the approved IG study directing that, within available time and manpower limits, "all reports and attached memoranda of investigation made by the Counterintelligence Corps be reviewed, pertinent, verified information be extracted, and the original and copies be recalled by the War Department and destroyed."⁷⁹

The departmental intelligence agency was also soon shorn of its traditional military censorship functions. Despite the fact that censorship operations were providing it with a sizable amount of useful information, the agency remained actively involved in the procurement, training, and assignment of censorship officers for the US Army. By May 1943, it had become feasible to establish an "Officer Pool for Censorship Personnel" and thus give the total censorship program a sorely needed degree of flexibility. Nevertheless, effective 21 March 1944, higher authority ordered the transfer of this officer pool to ASF, as well as the related function of handling censorship supplies. For the time being, MID (MIS) was still permitted to receive information directly obtainable from censorship sources for assistance in producing intelligence but, on 25 July 1944, even this responsibility was shifted to ASF, along with all duties pertaining to the procurement, training, assignment, and supply of CIC personnel.

Prior to the imposed MID reorganization during the summer of 1944, therefore, which sought to form a truly separate MIS under a new ACoFS G-2 (Gen. Bissell), the departmental intelligence agency had already lost most of its military security functions. With MID limited solely to the execution of general staff type duties, the theory was that the ACoFS G-2 could now perform his basic counterintelligence mission acting through a single security specialist within the G-2 Policy Staff. Hence, effective 3 June 1944, the Counterintelligence Group, MIS, was abolished and Col. Forney, plus two officer assistants and two clerks, became Group III (Security) Policy Staff, MID.⁸⁰ For a brief period after this, there was a small Security Branch, MIS, placed under the Supervisor of Source Control to accomplish certain representation and liaison tasks;⁸¹ but, on 24 July 1944, when the final transfer of all counterintelligence functions to ASF was announced, the ACoFS G-2 decided to move this group back into MID. Major considerations calling for such action at that particular time were then given, as follows:

- a. Uncertainty as to the permanence of the decentralization that had been effected.
- b. Need of an agency to handle unusual and important security matters which could not be handled at a lower level.

- c. Need for an agency to perform a small number of security functions that had not been decentralized or transferred to other MIS branches on or before 24 July 1944.⁸²

Thus, even though Gen. Bissell had himself served on the War Department committee charged with reorganizing MID (MIS), it did not take him long as ACoFS G-2 to realize that some sort of a counterintelligence unit would be essential to the proper functioning of the departmental intelligence agency regardless of views expressed by higher authority. While the new Security Branch, MID, never included more than three officers and always worked in close conjunction with the G-2 Policy Staff, it promptly inherited a number of more or less operational security tasks along the following lines:

- a. Assisting the ACoFS G-2 in security matters of great delicacy, such as; investigating serious leaks of highly classified information, supervising from a security standpoint the movements of very important persons, handling the initial security aspects of Japanese balloon incidents, interviewing the captured German agents (Gimpel and Colepaugh), and maintaining liaison with the FBI relative to secret intelligence operations.
- b. Screening reports of security violations discovered by the MID (MIS) telephone monitoring service and forwarding them to appropriate action agencies, normally Joint Security Control.
- c. Establishing and enforcing a revitalized internal security system within MID (MIS) itself.
- d. Determining whether or not War Department approval should be granted to requests for using technical methods of surveillance in certain investigative cases, as required by official orders. These methods might include the interception of mail while under military control or the use of mechanical overhearing devices at military reservations.

e. Serving as G-2 members on the OWI Security Advisory Board and the Secretary of War's Review Board, with the first named board having been formed to advise federal agencies other than the War and Navy Departments about security problems and the latter to review appeals submitted by War Department civilian employees discharged under Public Law 808, 77th Congress, for reasons of national security.

f. Processing miscellaneous counter-intelligence matters, for example, individual loyalty cases referred to the ACofS G-2, clearing requests from the Census Bureau for authority to conduct surveys in areas of military interest and answering questions concerning the release of military information through the BPR.⁸³

The need for having a small group of counterintelligence specialists readily available in MID was well illustrated by the sudden demand to dispose of so-called Japanese balloon incidents from the military security standpoint. In an effort to bolster homefront morale following the Doolittle air raid on Tokyo, the Japanese authorities had hit upon the idea of floating free balloons laden with high explosive and incendiary bombs against American territory. The original plan was to launch these balloons from submarines stationed offshore but, when this proved to be impracticable, they were released from Japan itself. Some 9,000 balloons were eventually launched, with only a small percentage of them ever reaching the North American continent. They were first reported during November 1944 and naturally caused a considerable amount of speculation within intelligence circles as to their exact purpose. One popular theory was that they might be germ carriers in an opening of bacteriological warfare but another was they were being used to introduce Japanese agents into this country.⁸⁴

Following a hasty series of interdepartmental consultations, it was decided that the first step in combating these Japanese missiles should be to request a voluntary censorship of all public news media. This would serve to deny the Japanese any accurate evaluation of their balloon capabilities and minimize whatever propaganda value might accrue to them from the project. The Western Defense

Command was then given the mission of taking appropriate defensive measures and collecting information on all located balloons. The FBI also carried out extensive investigations, while various scientific agencies of the government joined in examining the balloons to determine their technical characteristics. During December 1944, Maj. Ray V. Jones and 2nd Lt. Charles H. Allison of the Scientific Branch, MIS, were ordered to devote their entire effort toward reporting on the balloon situation, and it was not long before a total of seven officers and two clerks were fully occupied in this same type of work.⁸⁵

There were several narrow escapes from publicity leaks, occasioned mainly by items appearing in small local newspapers, but on the whole the voluntary censorship policy turned out to be notably successful. The news gradually did get around, however, so more positive countermeasures were indicated. A "word of mouth" campaign was adopted, based upon British methods recently devised to educate the public about the V-1 bomb without furnishing the Germans any specific information pertaining to landing areas or bomb damage. This supplementary system remained sufficient until six members of a single family were killed while tampering with an unexploded bomb they had stumbled across in the Pacific Northwest, an event which forced the War Department to release a carefully guarded statement on the subject. Finally, when the Japanese discontinued launching their balloons in April 1945, the matter was slowly allowed to fade from the national scene, with no serious security breach having ever occurred.⁸⁶

Gen. Bissell replaced Gen. Strong as the ACofS G-2 on 21 February 1944, just in time to become actively involved in the mounting dispute over the status of Communists and fellow travelers within the US Army, especially whether or not they ought to hold officer commissions. Accordingly, two months later, he addressed a memorandum to the Deputy Chief of Staff which not only recommended continuance of the policy to exclude these personnel from sensitive duty assignment and attendance at Officer Candidate Schools but also asked for the discharge under existing Army regulations of officers "who are proven to be members of the Communist Party or to have consistently followed the party line

or otherwise indicated they have submitted themselves to the discipline of the Party.”⁸⁷

Nothing came of this initial attempt to classify Communists and fellow travelers specifically as disaffected personnel but embarrassing questions in the matter kept pouring into MID from other military security agencies.⁸⁸ It was thus deemed advisable to submit a more detailed memorandum on the subject to the Chief of Staff in the hope of securing more suitable authority for controlling them. This new memorandum, as originally drafted, took note of the fact that a decision was made on 11 May 1944 by the Assistant Secretary of War in rejecting the removal of a veteran of the Abraham Lincoln Brigade from Officer Candidate School directly contradicted an 8 March 1944 decision in a practically parallel case.⁸⁹ Since MID had recently found that 81 officers, five WAC officers, 1,181 enlisted men, and 49 enlisted women were “so thoroughly imbued with the principles of Communism as to constitute a danger to security,” it appeared necessary to clarify their future military status. The belief was that enlisted men of such character should be retained in the service and given combat duty but the officers eliminated. It was recognized, however, that the latter step might not be expedient at this particular time.⁹⁰

Before signing this proposed communication to the Chief of Staff, Gen. Bissell chose to discuss it personally with McCloy. As a result, Col. Forney received further instructions to prepare a detailed staff study on Communists in the Army, which would seek a definite answer to the problem but recommend what was right rather than expedient. When this had been duly accomplished to Gen. Bissell’s satisfaction, the study was sent to McCloy for added comment prior to its consideration by the Chief of Staff. The Assistant Secretary of War then wrote a lengthy memorandum for that purpose but, on 10 June 1944, returned all the papers to the ACofS G-2 expressing a desire to talk over the matter again after Gen. Bissell had read his contemplated remarks. Shortly thereafter, the ACofS G-2 conferred with Col. Forney about the study and made the following points:

a. The staff study was accurate and the action recommended was justified.

b. It was inexpedient to raise the question at the present time due to the possibility of offending Russia and thus bringing about action on the part of that country unfavorable to the war effort.

c. It was inexpedient to risk publicity on this question in an election year.

d. There could be no retraction officially of the War Department’s long standing attitude toward communism.

e. That some means had to be found to settle the question in the field that would not embarrass the War Department.⁹¹

In view of these conflicting factors as mentioned by the ACofS G-2, Col. Forney suggested that the staff study should be quietly dropped and informal steps taken to prevent at least for the time being any Communist cases arising in the field which might embarrass the War Department.⁹² With Gen. Bissell approving this course of action, Col. Forney then proceeded to contact the principal intelligence officers of the three major commands and orally explained the newly adopted policy to them. Although this informal system did work out fairly well for a few months, by the latter part of November 1944, it was plainly apparent that the lower echelons were again becoming restive at the lack of support being provided by the War Department in their Communist security cases.⁹³ On 23 November 1944, therefore, Gen. Bissell decided to reopen the question with McCloy and to recommend the issuance of official orders for maintaining a “desired status in this matter.”⁹⁴

McCloy agreed that it was now practicable to publish formal instructions to the Army on the subject of Communists but he remained dissatisfied with some of the wording contained in the letter submitted by the ACofS G-2 to accomplish this purpose. He wished to assure that the basic consideration for taking any security action was not the propriety of the individual’s opinions but his loyalty to the United States, including a willingness to accept combat duty.⁹⁵ Hence, despite Gen. Bissell’s forceful

argument that the War Department should conform to a decision of the Attorney General and regard Communism per se as constituting disaffection,⁹⁶ the instructions which were finally issued to the Army on 30 December 1944, consisted mainly of the following statement written word for word by McCloy himself:

The basic consideration is not the propriety of the individual's opinions, but his loyalty to the United States. Membership in, or strict adherence to the doctrines of, the Communist Party organization is evidence that the individual is subject to influences that may tend to divide his loyalty. However, many good soldiers are subject to conflicting influences. Such influences must be appraised in the light of the individual's entire record. No action will be taken under the reference letter that is predicated on membership in or adherence to the doctrines of the Communist Party unless there is a specific finding that the individual involved has a loyalty to the Communist Party as an organization which overrides his loyalty to the United States. No such finding should be based on the mere fact that the individual's views on various social questions have been the same as the views that the Communist Party may have advanced. Except in clear cases, no action should be taken against persons who are being trained for combat assignments and have demonstrated a high degree of ability to serve the United States in that manner, including a willingness to accept combat duty.⁹⁷

The order specifying this more liberal War Department attitude toward Communists and fellow travelers in the US Army was classified SECRET but it soon leaked to the press. During the national uproar which followed, the entire matter came under close scrutiny by a House Committee on Military Affairs authorized to study progress of the war effort. On 22 February 1945, Maj. Gen. James A. Ulio, the Adjutant General, acknowledged existence of the new policy in a letter addressed to Representative George A. Dondero of Michigan. He claimed, however, that known or suspected Communist personnel had not proved to be any source of difficulty and were loyally supporting the war effort, so there seemed little justification for not using their services to the utmost of individual capacities.⁹⁸ Both the Assistant

Secretary of War and ACoFS G-2 subsequently appeared before this same Congressional Committee in defending the position taken by the War Department. Although a preliminary report of the Committee as published early in July 1945 was extremely critical of that position, no important change occurred in it for the rest of the wartime period.⁹⁹

Thus, at the war's end, the ACoFS G-2 not only had been deliberately divested of all his operational counterintelligence functions but also was no longer able to control the basis terms of Army security policies. Moreover, because the departmental military intelligence agency was unfavorably organized to collect, evaluate, and disseminate domestic intelligence information, he could not properly execute his inherent mission of keeping the Chief of Staff fully informed on Army security matters. With it becoming increasingly clear to most of the departmental intelligence authorities that no effective dividing line could now be drawn between their foreign and domestic counterintelligence responsibilities, this imposed handicap held especially serious implications for the future.

Nevertheless, it must be granted that a definite need had been shown early in the war for decentralizing the departmental counterintelligence effort within the zone of interior and permitting other staff groups or field agencies to undertake as many operational security tasks as possible. Neither could there be any convincing argument advanced against the generally accepted thesis that each individual commander should remain free to provide for the military security of his own command. The national security clearance program had rapidly developed into such a cumbersome and complicated process that the departmental intelligence officials could never hope to keep up with it under a system of centralized control. They were soon bogged down, therefore, in a bewildering array of individual security clearance procedures to the extent that they could seldom find time for performing counterintelligence duties of a more fundamental nature.

The principal trouble lay not so much in recognizing that a difficult functional problem did exist but more in the various courses of action which were adopted

by higher authority to meet it. Since outside influences and personnel economy considerations were often allowed to carry an overriding weight in reaching major decisions on military security matters, it became practically impossible to develop an effectual system for protecting the Army from harmful subversion. Besides, back of the enforced curtailment of departmental counterintelligence operations as dictated by many self-appointed experts holding no detailed intelligence background, lurked the readily perceptible outline of a Communist inspired drive aimed at eliminating all MID (MIS) activity within the domestic intelligence field regardless of consequences. The combined result was a departmental agency inadequately equipped to fulfill its essential counterintelligence responsibilities during most of World War II. With well-organized subversive elements representing both an actual and potential danger to ultimate military success, this was certainly not the proper time to reduce MID (MIS) capabilities for exposing or blocking them, yet that is exactly what did take place.

FBI Wartime Operations

A review of FBI intelligence work during World War II would not be complete without brief mention of several other activities. In 1940, President Roosevelt authorized the FBI with the approval of the Attorney General to conduct electronic surveillance of "persons suspected of subversive activities against the Government of the United States, including suspected spies."¹⁰⁰ The Federal Communications Commission denied the FBI access before the war to international communications on the grounds that such intercepts violated the Federal Communications Act of 1934.¹⁰¹ However, military intelligence had secretly formed a Signals Intelligence Service to intercept international radio communications, and Naval intelligence arranged with RCA to get copies of Japanese cable traffic to and from Hawaii, although other cable companies used by the Japanese refused to violate the statute against interception before Pearl Harbor.¹⁰² Moreover, the FBI developed "champering" or surreptitious mail opening techniques, and the practice of surreptitious entry was used by the FBI in black bag operations.¹⁰³

Several basic internal memoranda and agreements spelled out the policies governing the relationships between FBI and military intelligence in this period. The military concentrated more heavily on what it perceived as potential threats to the Armed Forces, while the FBI developed a wider and more sophisticated approach to the gathering of intelligence about "subversive activities" generally. An example of the Army's policy was an intelligence plan approved in 1936 for the Sixth Corps Area, which covered Illinois, Michigan, and Wisconsin. It called for the collection and indexing of the names of several thousand groups, ranging from the American Civilian Liberties Union to pacifist student groups alleged to be Communist-dominated. Sources of information were to be the Justice Department, the Treasury Department, the Post Office Department, local state police, and private intelligence bureaus employed by businessmen to keep track of organized labor.¹⁰⁴ The joint FBI-military intelligence plan prepared in 1938 stated that the Office of Naval Intelligence and the Military Intelligence Division (G-2) were concerned with "subversive activities that undermine the loyalty and efficiency" of the Army and Navy personnel or civilians involved in military construction and maintenance. Since ONI and MID lacked trained investigators, they relied before the war on the FBI "to conduct investigative activity in strictly civilian matters of a domestic character." The three agencies exchanged information of interest to one another, both in the field and at headquarters in Washington.¹⁰⁵

The FBI, ONI, and MID entered into a Delimitation Agreement in June 1940 pursuant to the authority of President Roosevelt's 1939 directives. As revised in February 1942, the Agreement covered "investigation of all activities coming under the categories of espionage, counterespionage, subversion, and sabotage." It provided that the FBI would be responsible for all investigations "involving civilians in the United States" and for keeping ONI and MID informed on "important developments...including the names of individuals definitely known to be connected with subversive activities."¹⁰⁶ As a result of this Agreement and prior cooperation, military intelligence could compile extensive files on civilians from the information disseminated to it by the FBI. For example, in May 1939 the MID transmitted a

request from the Ninth Corps Area on the West Coast for the names and locations of “alien and disloyal American sabotage and espionage organizations” planning to take advantage of wartime hardships to overthrow the Government, “citizens opposed to our participation in war and conducting antiwar propaganda,” and potential enemy nationals who should be interned in case of an “international emergency.”¹⁰⁷

Moreover, despite the FBI-military agreement, the Counter Intelligence Corps of the Army (CIC) gradually undertook wider investigation of civilian “subversive activity” as part of a preventive security program, which used voluntary informants and investigators to collection information.¹⁰⁸

The FBI developed a substantial foreign intelligence operation in Latin America during the war. On June 24, 1940, President Roosevelt issued a directive assigning foreign intelligence responsibilities in the Western Hemisphere to a Special Intelligence Service (SIS) of the FBI. SIS furnished the State Department, the military, and other governmental agencies with intelligence regarding “financial, economic, political, and subversive activities detrimental to the security of the United States.” SIS assisted several Latin American countries “in training police and organizing antiespionage and antisabotage defenses.” When another foreign intelligence agency, the Office of Strategic Services (OSS), was established in 1941, it sought to enter the Latin American field until President Roosevelt made clear that jurisdiction belonged to SIS.¹⁰⁹

There was constant friction throughout the war between the FBI and the OSS. Despite the President’s order, OSS operatives went to Latin America. Within the United States, OSS officers are reported to have secretly entered the Spanish Embassy in Washington to photograph documents. The FBI Director apparently learned of the operation, but instead of registering a protest he waited until OSS returned a second time and then had FBI cars outside turn on their sirens. When OSS protested to the White House, the President’s aides reportedly ordered the embassy project turned over to the FBI.¹¹⁰ A similar incident occurred in 1945 when OSS security officers illegally entered the offices of *Amerasia* magazine in search of confidential Government documents.¹¹¹ This

illegal entry made it impossible for the Justice Department to prosecute vigorously on the basis of the subsequent FBI investigation, for fear of exposing the “taint,” which started the inquiry.

Director Hoover’s most serious conflict with OSS involved a weighing of the respective needs of foreign intelligence and internal security. In 1944, the head of OSS, William Donovan, negotiated an agreement with the Soviet Union for an exchange of missions between OSS and the NKVD (the Soviet intelligence and secret police organization). Both the American military representative in Moscow and Ambassador W. Averell Harriman hoped the exchange would improve Soviet-American relations.¹¹² When Hoover learned of the plan, he warned Presidential aide Harry Hopkins of the potential danger of espionage if the NKVD were “officially authorized to operate in the United States where quite obviously it will be able to function without any appropriate restraint upon its activities.” The Director also advised Attorney General Biddle that secret NKVD agents were already “attempting to obtain highly confidential information concerning War Department secrets.” Thus, the exchange of intelligence missions was blocked.¹¹³ The FBI was also greatly concerned about the OSS policy of employing American Communists to work with the anti-Nazi underground in Europe, although OSS did dismiss some persons suspected of having links with Soviet intelligence.¹¹⁴

The FBI was not withdrawn from the foreign intelligence field until 1946. At the end of the war President Truman abolished the Office of Strategic Services and dispersed its functions to the War and State Departments. The FBI proposed expanding its wartime Western Hemisphere intelligence systems to a worldwide basis, with the Army and Navy handling matters of importance to the military. Instead, the President formed a National Intelligence Authority with representatives of the State, War, and Navy Departments to direct the foreign intelligence activities of a Central Intelligence Group. The Central Intelligence Group was authorized to conduct all foreign espionage and counterespionage operations in June 1946. Director Hoover immediately terminated the operations of the FBI’s Special Intelligence Service, and in some countries SIS

officers destroyed their files rather than transfer them to the new agency.¹¹⁵

The Counter Intelligence Corps During World War II

As a result of the Delimitations Agreement of 1939, the counterintelligence system was centralized under three agencies. The task assigned to the US Army covered both the Military Establishment and a large percentage of the munitions industry. The primary counterintelligence effort was the organization of a security system, which would prevent access of hostile agents to our facilities.

Countless security surveys were made. Safeguards were developed, and identification systems were established. Thousands of personnel investigations were conducted, and, as these proceeded, steps were taken to place persons whose loyalty was in question on work where they could not injure our war effort.

There were individual cases of sabotage and these, of course, became the immediate subject of intensive investigation. A few saboteurs and spies were captured and convicted. Even in cases where investigation failed to uncover the perpetrator, exhaustive investigation resulted in the development of better security measures.

A special effort was made to safeguard military information. Counter Intelligence Corps personnel operated the security system for the headquarters that planned the North African campaign. In many cases where the Counter Intelligence Corps found improper safeguarding of military information, strategic plans were changed or revoked.

The outbreak of World War II called for an immediate increase in the authorized strength of the Corps of Intelligence Police. The total strength of the Corps was set at 1,026 noncommissioned officers, and all its members then in the Enlisted Reserve Corps were ordered to active duty "with the least practical delay." The War Department then set out to produce a well-staffed and well-trained organization for this branch of intelligence work.

On 13 December 1941, a letter from the office of the Adjutant General officially changed the name of the Corps of Intelligence Police to the Counter Intelligence Corps, to be effective 1 January 1942. This was a change in name only. However, many organizational changes were made during the first two years of existence of the Counter Intelligence Corps on the basis of lessons learned from field experience.

At the outset of the war, there were many Military Intelligence Division officers supervising the Corps of Intelligence Police who were not experienced in their duties. The War Department early recognized this deficiency, and constructive steps were taken immediately. All officers selected for duty with the Counter Intelligence Corps had to be cleared by the Assistant Chief of Staff, G-2, before serving with the Corps. Furthermore, commanders of all Corps Areas, Departments (except the Philippine and Hawaiian Departments), and Base Defense Commands were directed to submit without delay to the Assistant Chief of Staff, G-2, a roster of all commissioned personnel on duty with the Corps of Intelligence Police.

In order to provide the most proficient and experienced counterintelligence commissioned personnel to supervise the activities of the Counter Intelligence Corps, it was recommended that "a complement of commissioned officers be specifically authorized for the Counter Intelligence Corps." It was also deemed advisable to increase the commissioned strength of the Corps to 543 in field and company grades and to bring the total non-commissioned strength to 4,431.

A tentative plan of organization for Counter Intelligence Corps detachments to serve with tactical and headquarters units down to and including divisions was also drawn up. In outline, the detachments were to be composed in the following manner:

Division	1 Officer
	5 Enlisted men
Army Corps	2 Officers
	11 Enlisted men
Field Army	6 Officers
	49 Enlisted men

Air Forces	5 Officers
	17 Enlisted men
Defense Command ..	4 Officers
	28 Enlisted men

In addition, Counter Intelligence Corps Headquarters, the Training School, the Washington Field Office, and the Replacement Pool were authorized officer and enlisted vacancies.

At this time, each service command was given a temporary and permanent allotment by the Adjutant General. The temporary allotment was to cover procurement when an overseas detachment was to be activated, the men therein to be transferred from the service commands. When men were transferred from the service commands for this purpose, the temporary allotment for the new detachment was reduced by the Adjutant General and the new detachment simultaneously set up.

In October 1942, the system of temporary allotments to the service commands was discontinued, and all such allotments were transferred to the War Department Reserve Pool. This Reserve Pool was

then apportioned among the service commands for procurement purposes. When a tactical detachment was activated, an allotment was provided from the service commands as before, and the apportionment of the War Department Reserve Pool decreased by the grades of the men transferred.

It was anticipated early in 1942 that the constant loss of men in service commands, because of the demands of overseas units, would seriously hamper operations. Consequently, on 14 May, the corps areas (service commands) were directed by Military Intelligence Section to submit a list of special agents considered "key personnel" with a brief explanation of the positions these men held. Because of a tendency on the part of the corps areas to include a large number of men on such listings, it soon became necessary to limit "key personnel" in the corps areas to 10 percent of the total personnel in each command.

In April 1943, it was determined that since all Counter Intelligence Corps personnel were chargeable to War Department overhead, they should be assigned to the War Department and attached to the various service commands for administrative



German Agents with their radio equipment captured by the Army Counter Intelligence Corps in France during the second World War.

purposes. Consequently, the allotments to the service commands were rescinded, and two months later the allotments to the theaters of operations were rescinded. In September 1943, TM 30-215, "Counter Intelligence Corps," set forth a T/O (table of organization) basis for assignment of personnel to the theaters of operations. The balance of the Counter Intelligence Corps personnel was to be assigned to Army Ground Forces, Army Service Forces, and other utilizing units.

The increase in personnel made it necessary to expand the Counter Intelligence Corps administrative machinery to meet the new demands. In December 1942, the office of the Chief, Counter Intelligence Corps, was divided into six sections: Supply, Operations, Fiscal, Plans and Training, Personnel, and Army Air Forces Liaison.

The procurement and training of Counter Intelligence Corps personnel for overseas duty became the primary mission of the office of the Chief,

Counter Intelligence Corps. Demands for assignment of Counter Intelligence Corps detachments, both to units scheduled for immediate departure to overseas duty and for units already in combat in the theaters of operations, were steadily increasing. To meet these demands and to facilitate training, the War Department, on 29 October, 1942, instructed all Bases, Departments, and Service Commands (except the Ninth) to establish preliminary Counter Intelligence Corps training schools in their respective commands.

During the years 1942-1943, agents of the Counter Intelligence Corps made thousands of loyalty investigations on military personnel and civilians assigned to duties requiring access to classified material. The transfer of certain investigative functions from the Military Intelligence Division to the Provost Marshal General in October, 1941, did not relieve the Corps of the duty of investigating personnel already in military service who were working with classified material. Typical examples



CIC trainees in a class to learn to identify Japanese insignia rank in 1942.

of such personnel were cryptographers; certain Signal Corps personnel in other types of work; Military Intelligence personnel (civilian and military); and, of course, as a large part of the last mentioned category, potential Counter Intelligence Corps personnel.

The forms used and the extent of the investigations varied in accordance with War Department and Service Command policy. Investigations of prospective Counter Intelligence Corps personnel were always exhaustive.

Loyalty investigations, which involved no suspicion of disloyalty, consisted of an examination of personal history, education, employment, and associations. Each subject of a personnel investigation was required to complete a Personal History Statement. In each personnel investigation, a check was made of the local police, the Federal Bureau of Investigation, the Office of Naval Intelligence, and the Military Intelligence Division Files. Copies of each memorandum report were sent to the Service Commands interested, the Military Intelligence Division, and the Federal Bureau of Investigation.

Investigations of military personnel suspected of disaffection, espionage, treason, sedition, sabotage, or of violations of AR 380-5, "Safeguarding Military Information," were reported on War Department Form CIR 1 (Counter Intelligence Report No. 1). This form contained a summarization by the investigating agent,

a detailed outline of the subject's personal background, and a recommendation for disposition of the subject in accordance with the purpose of the investigation.

The Service Command Counter Intelligence Corps detachments were divided into several field offices, each having investigative responsibility for a certain geographic area of the Service Command. In certain less populated areas, single representatives were used and designated as resident agents. In metropolitan field offices with many agents, the personnel operated in separate sections and squads under the direction of special agents of proved experience and ability. These sections performed specific types of investigations. Agents became specialists in one type of investigation, developed local contacts of value in their particular field, and accumulated a general knowledge of organizations and individuals in the area considered subversive or of questionable loyalty.

Exclusive of background investigations, the largest volume of investigations consisted of disaffection cases. Disaffection has been defined as a state of mind indicating a lack of affection for the US Government. Such cases usually concerned persons with German, Italian, or Japanese backgrounds.

In the field of suspected sabotage and espionage, the Counter Intelligence Corps performed investigations, which often employed the use of technical investigative equipment. The Counter Intelligence Corps mission in the zone of the interior was not as dramatic as that of federal agencies, which apprehended espionage agents. The efforts of the Counter Intelligence Corps, however, denied access to vital industrial plants and to highly secret military installations to many persons whose loyalty to the United States was dubious. What damage these persons might have wrought on the war effort is only a matter of conjecture.

In the fall of 1943, the Inspector General conducted an extensive examination of Counter Intelligence Corps activities in the Service Commands. The resultant recommendations brought about a reorganization of the Corps both in its activity in the Service Commands, and in foreign theaters. Of



CIC arrested thousands of Nazis after the allied occupation of Germany. In this photo, German leaders are being tried at Nuremberg.

special import was the suggestion that Counter Intelligence Corps personnel "...be specifically procured and trained for utilization in theaters of operation; that they be so utilized that Counter Intelligence Corps activities within the Zone of Interior be performed by the Security Intelligence Corps of the Provost Marshal Gen.'s Department."

In an attempt to make the administration of the Counter Intelligence Corps more definitive, the Deputy Chief of Staff, on 25 November, 1943, directed that certain recommendations made by the Inspector General be carried out. These included the following:

(1) Two changes in basic policy:

(a) The Counter Intelligence Corps was to be utilized, with certain limited exceptions, in theaters of operations.

(b) Personnel of the Corps were to be released from War Department overhead assignments, distributed on a T/O basis, with G-2 exercising no command function over the Corps.

(2) Three specific continuing responsibilities relative to the Counter Intelligence Corps charged to the Assistant Chief of Staff, G-2, War Department:

(a) The establishment of policies and over-all supervision of counterintelligence activities.

(b) Coordination of the procurement and shipment of Counter Intelligence Corps units.



CIC photographed captured spies for identification purposes.

(c) The administration of specialized training prior to assignment of Counter Intelligence Corps personnel to theaters of operations.

(3) Certain specific actions relative to the Counter Intelligence Corps:

(a) The Counter Intelligence Corps Headquarters in Baltimore, Maryland and the Counter Intelligence Corps Staging Area were to be eliminated.

(b) G-2, War Department, in collaboration with the three major commands, and G-3, War Department, were to submit for approval a plan for procurement of Counter Intelligence Corps personnel.

(c) Counter Intelligence Corps units were to be organized on a T/O basis included in troop quotas.

(d) Command channels were to be used and command responsibility emphasized.

(e) Shipment of Counter Intelligence Corps personnel overseas was to be in accordance with approved requests of theater commanders.

(f) Basic training of counterintelligence personnel was to be provided by Army Service Forces.

(g) Counter Intelligence Corps specialized training was to be given by Military Intelligence Division at Camp Ritchie, Maryland.

(h) Counter Intelligence Corps personnel in permanent detachments of Service Commands were to be transferred for assignment to those Service Commands by 31 December 1943.

Since the future Counter Intelligence Corps mission would be entirely overseas, it was necessary to administer the program of the Counter Intelligence Corps and train and procure the personnel especially for that purpose. The largest source of personnel, the Service Command detachments, was no longer available, thereby necessitating a new method of

procurement. The office of the Chief, Counter Intelligence Corps, in Baltimore Maryland, was discontinued, and the Counter Intelligence Section of the Counter Intelligence Group, Military Intelligence Service, handled all administration. The staff of this office was much smaller than it had been in the office of the Chief, Counter Intelligence Corps.

After a period of training and reorganization, the Counter Intelligence Corps was sent to the combat zones. It was here that the real value and meaning of the Corps became known to combat commanders. The record and achievements of Counter Intelligence Corps personnel brought added prestige to the Corps and to the Armed Forces of the United States.

On 14 December 1943, War Department Circular No. 324 transferred the counterintelligence functions within the zone of the interior to the Provost Marshal General. The investigative functions hitherto performed by the Counter Intelligence Corps and those of the Provost Marshal General were consolidated, and it was directed that these functions be performed by a single staff agency under each Service Command. This agency was later designated the Security and Intelligence Division.

Since the Counter Intelligence Corps was no longer to be the organization conducting investigations of espionage and sabotage cases of the Military Intelligence Division in the continental United States, it was necessary that the responsibility for discharging these functions be placed with the Commanding General, Army Service Forces, and designated areas. The assignment of Counter Intelligence Corps personnel to the Service Commands, where they became part of the newly formed Security and Intelligence Division under the jurisdiction of the Provost Marshal General, was also provided in War Department Circular 324. The assignment of personnel from War Department overhead to the using commands with instructions to activate under T/O&E 30-500 was an entirely new concept for the Counter Intelligence Corps, and great administrative difficulties attended this change of activity.

On 22 May 1944 an organization within the Military Intelligence Section replaced the office formerly known as the Counter Intelligence Corps branch of

the Military Intelligence Section with the title of the Counter Intelligence Corps Section. A G-2, War Department Policy Staff was created. This staff was responsible for policy decisions on intelligence functions, including the Counter Intelligence Corps. No important alterations in policy or duties accompanied this redesignation. However, since the function of the Counter Intelligence Corps Section was considered to be of an administrative and operational nature rather than a true staff function, on 1 August 1944 the Section was transferred from the control of the General Staff, War Department, to the Army Service Forces.

By this time the Counter Intelligence Corps had operated successfully overseas in every combat area and had obtained a troop basis of 4,308. These were allocated in the following manner:

Theaters of Operation, Base Commands, and other overseas installations	3,000
Army Ground Forces in United States ...	485
Army Air Forces in United States and Air Transport Command	<u>823</u>
TOTAL	4,308

The overseas allotments increased as additional Army Ground Forces units were trained and shipped to combat. Counter Intelligence Corps detachments were assigned to their respective units and became an integral part of divisions, corps, armies, overseas administrative commands, theater headquarters, and of the A-2 Sections of the Air Force commands and installations.

On 1 December 1944 the Counter Intelligence Corps became a separate branch of the Intelligence Division of the Army Service Forces. Under the Army Service Forces the policy of assigning all Counter Intelligence Corps detachments to using units was continued. The only Counter Intelligence Corps detachments working within the zone of the interior were those units specifically allowed to do so by the War Department.

The administrative difficulties that were met in the early days of the Counter Intelligence Corps were paralleled by an equally difficult task of procuring desired personnel. On 21 October 1942 the power to initiate Counter Intelligence Corps personnel

investigations was placed within the Service Commands. The commands were also empowered to assign and transfer personnel as Counter Intelligence Corps agents in the grade of corporal, and as Counter Intelligence Corps clerks in the grade of private first class. Control over the assignment and transfer of Counter Intelligence Corps special agents, the promotion of personnel from the rank of agent to special agent, and all matters concerning the assignment or transfer of commissioned personnel remained with the Assistant Chief of Staff, G-2, War Department.

A backlog of investigations to be conducted on prospective Counter Intelligence Corps personnel developed during this period. Until June 1943, Counter Intelligence Corps agents and clerks had been recruited by the theater commanders in overseas areas on the same basis as in the Service Commands. However, on 26 June, the allotments to theaters were discontinued. TM 30-215, "Counter Intelligence Corps," published 22 September 1943, limited the responsibility for procurement and assignment of officers and special agents to the Assistant Chief of Staff, G-2, War Department, and of agents and clerks to the Director of Intelligence in the Service Commands within the zone of the interior. All Counter Intelligence Corps personnel procured in theaters of operations were to be approved by the Assistant Chief of Staff, G-2, War Department.

As an aid in spotting potential Counter Intelligence Corps personnel, the classification "301 Investigator" was introduced into the Army classification system early in 1942. The names of all men under this classification were referred to the office of the Chief, Counter Intelligence Corps, for review and selection of prospective personnel. Men who were given the classification of "312 Stenographers" were also brought to the attention of this office so that from this group suitable clerks might be procured. When the procurement of Counter Intelligence Corps personnel was decentralized to the Service Commands in October, 1942, the names of men in the 301 and 213 classification were reported directly to the Service Commands by the reception centers. During 1942 and 1943, the office of the Adjutant General furnished the office of the Chief, Counter Intelligence Corps, extracts from qualification cards on all linguists inducted into the Army.

The largest percentage of Counter Intelligence Corps agents was obtained from personnel already in the Army. At the reception centers newly inducted personnel with basic Counter Intelligence Corps qualifications were interviewed by Counter Intelligence Corps agents to determine their suitability for assignment to Counter Intelligence Corps duty. Civilian and government organizations, which employed investigators, were requested to submit information concerning former investigators in their employ who had been inducted into the military service. In the early days of the organization of the Counter Intelligence Corps, men occasionally applied for admission to the Corps prior to their induction into the Army. If application was approved, they were immediately "tabbed" and shortly thereafter transferred to the Counter Intelligence Corps. This method was not widely used because it resulted in personnel being transferred into the Corps without basic military training. Lack of basic training later proved to be a handicap to those agents when they were assigned to tactical detachments.

To meet the demands for qualified men, recommendations were accepted from Army post intelligence officers, Counter Intelligence Corps personnel, and any other military personnel who knew of men with basic Counter Intelligence Corps qualifications. All commanding officers throughout the Army were encouraged to submit names of men with the basic qualifications for Counter Intelligence Corps duty.

In the early recruitment, emphasis was placed on investigative or legal experience. Later, men with adequate education, good character, and loyalty were accepted even though they had neither legal nor investigative experience. Some linguists were procured, but this qualification was not an exclusive one. Men were drawn from all types of civilian occupations, and the Counter Intelligence Corps became an organization that included representatives of virtually every profession and nationality. In spite of the fact that most of these men worked as corporals or sergeants, the organization obtained outstanding men. The lure of the word "intelligence" and the prospect of working in civilian clothes was tempting bait; but, if the men of the Corps had not been carefully selected, their records in the war would have been less impressive. Counter Intelligence Corps men

have always relied upon their own initiative. This has been borne out by the nature of their work in the United States and, to an even greater extent, by the record they have made in overseas operations.

For the most part, men selected for the Counter Intelligence Corps were well suited for their tasks, but one major weakness in the recruiting program was very noticeable; not enough emphasis was given to procuring and training linguists. The problem of obtaining men fluent in French, German, Italian, Japanese, and other foreign languages was made more difficult because of War Department policy, which directed that no persons of close foreign background would be assigned to or retained in the Counter Intelligence Corps. Many naturalized Americans, both in and out of the Army, were fluent in several languages, but the Counter Intelligence Corps was unable to use this source of language personnel because of this strict policy. When the war in Europe came to an end, the Army was faced with the overwhelming task of procuring a large number of men fluent in foreign languages. These necessities brought a quick reversal of policy, and, thereafter, close foreign relations alone ceased to be considered sufficient to disqualify a man for the Corps.

The rank of the agent was at best a partial secret within the Army. Counter Intelligence Corps men were instructed to conceal their actual rank by using the term "agent" or "special agent." Concealment of rank in the zone of the interior was not too great a problem since agents worked in civilian clothes. The average civilian respected Counter Intelligence Corps credentials and was not concerned with the actual rank of the bearer.

When his mission was changed from the zone of the interior to foreign theaters of operations, the Counter Intelligence Corps agent, in some cases, wore the military uniform indicting his status. This factor was a disadvantage in dealing with officers of the US Army and officers of the Allied Forces. The low rank of the leaders of some detachments often had a hampering effect, especially in their relationships with allied services in the theaters and with coordinate agencies of the United States. In many theaters this difficulty of rank was overcome by the adoption of a

uniform similar to that of war correspondence which showed no rank.

Duquesne Spy Ring

On January 2, 1942, 33 members of a Nazi spy ring headed by Frederick Joubert Duquesne were sentenced to serve a total of over 300 years in prison. The FBI brought them to justice after a lengthy espionage investigation. William Sebold, who had been recruited as a spy for Germany, was a major factor in the FBI's successful resolution of this case through his work as a double agent for the United States.

A native of Germany, William Sebold served in the German Army during World War I. After leaving Germany in 1921, he worked in industrial and aircraft plants throughout the United States and South America. On February 10, 1936, he became a naturalized citizen of the United States.

Sebold returned to Germany in February 1939, to visit his mother in Mulheim. Upon his arrival in Hamburg, Germany, he was approached by a member of the Gestapo who said that Sebold would be contacted in the near future. Sebold proceeded to Mulheim where he obtained employment.

In September 1939, a Dr. Gassner visited Sebold in Mulheim and interrogated him regarding military planes and equipment in the United States. He also asked Sebold to return to the United States as an espionage agent for Germany. Subsequent visits by Dr. Gassner and a "Dr. Renken," later identified as Maj. Nickolas Ritter of the German Secret Service, persuaded Sebold to cooperate with the Reich because he feared reprisals against family members still living in Germany.

Since Sebold's passport had been stolen shortly after his first visit from Dr. Gassner, Sebold went to the American Consulate in Cologne, Germany, to obtain a new one. While doing so, Sebold secretly told personnel of the American Consulate about his future role as a German agent and expressed his wish to cooperate with the FBI upon his return to America.

Sebold reported to Hamburg, Germany, where he was instructed in such areas as preparing codes messages and microphotographs. Upon completion of training, he was given five microphotographs containing instructions for preparing a code and detailing the type of information he was to transmit to Germany from the United States. Sebold was told to retain two of the microphotographs and to deliver the other three to German operatives in the United States. After receiving final instructions, including using the assumed name of "Harry Sawyer," he sailed from Genoa, Italy, and arrived in New York City on February 8, 1940.

The FBI previously had been advised of Sebold's expected arrival, his mission, and his intentions to assist them in identifying German agents in the United States. Under the guidance of Special Agents, Sebold established residence in New York City as Harry Sawyer. Also, an office was established for him as a consultant diesel engineer, to be used as a cover in establishing contacts with members of the spy ring. In selecting this office for Sebold, FBI Agents ensured that they could observe any meetings taking place there.

In May 1940, a shortwave radio transmitting station operated by FBI agents on Long Island established contact with the German shortwave station abroad. This radio station served as a main channel of communications between German spies in New York City and their superiors in Germany for 16 months. During this time, the FBI's radio station transmitted over 300 messages to Germany and received 200 messages from Germany.

The successful prosecution of the 33 German agents in New York demonstrates Sebold's success as a counterespionage agent against Nazi spies in the United States. Of those arrested on charges of espionage, 19 pleaded guilty. The 14 men who entered pleas of not guilty were brought to trial in Federal District Court, Brooklyn, New York, on September 3, 1941, and they were all found guilty by a jury on December 13, 1941.

The activities of each of these convicted spies and Sebold's role in uncovering their espionage activities for the Reich follow.

Frederick Joubert Duquesne

Born in Cape Colony, South Africa, on September 21, 1877, Frederick Joubert Duquesne emigrated from



Hamilton, Bermuda, to the United States in 1902 and became a naturalized United States citizen on December 4, 1913. Duquesne was implicated in fraudulent insurance claims, including one that resulted from a fire aboard the British steamship *Tennyson* that caused

the vessel to sink on February 18, 1916. When he was arrested on November 17, 1917, he had in his possession a large file of news clippings concerning bomb explosions on ships, as well as a letter from the Assistant German Vice Consul at Managua, Nicaragua. The letter indicated that "Capt. Duquesne" was "one who has rendered considerable service to the German cause."

When Sebold returned to the United States in February 1940, Duquesne was operating a business known as the "Air Terminals Company" in New York City. After establishing his first contact with Duquesne by letter, Sebold met with him in Duquesne's office. During their initial meeting, Duquesne, who was extremely concerned about the possibility of electronic surveillance devices being present in his office, gave Sebold a note stating that they should talk elsewhere. After relocating to an Automat, the two men exchanged information about members of the German espionage system with whom they had been in contact.

Duquesne provided Sebold with information for transmittal to Germany during subsequent meetings, and the meeting which occurred in Sebold's office was filmed by FBI Agents. Duquesne, who was vehemently anti-British, submitted information dealing with national defense in America, the sailing of ships to British ports, and technology. He also regularly received money from Germany in payment for his services.

On one occasion, Duquesne provided Sebold with photographs and specifications of a new type of bomb being produced in the United States. He claimed that he secured that material by secretly entering the

Dupont plant in Wilmington, Delaware. Duquesne also explained how fires could be started in industrial plants. Much of the information Duquesne obtained was the result of his correspondence with industrial concerns. Representing himself as a student, he requested data concerning their products and manufacturing conditions.

Duquesne was brought to trial and was convicted. He was sentenced to serve 18 years in prison on espionage charges, as well as a 2-year concurrent sentence and payment of a \$2,000 fine for violation of the Registration Act.

Paul Bante



A native of Germany, Paul Bante served in the German Army during World War I. He came to the United States in 1930 and became a naturalized United States citizen in 1938.

Bante, formerly a member of the German-American Bund, claimed that Germany put him in contact with one of their operatives, Paul Fehse, because of Bante's previous association with a Dr. Ignatz T. Griebel. Before fleeing to Germany to escape prosecution, Dr. Griebel had been implicated in a Nazi spy ring with Guenther Gustave Rumrich, who was tried on espionage charges in 1938.

Bante assisted Paul Fehse in obtaining information about ships bound for Britain with war materials and supplies. Bante claimed that as a member of the Gestapo, his function was to create discontent among union workers, stating that every strike would assist Germany.

Sebold met Bante at the Little Casino Restaurant, which was frequented by several members of this spy ring. During one such meeting, Bante advised that he was preparing a fuse bomb, and he subsequently delivered dynamite and detonation caps to Sebold.

After entering a guilty plea to violation of the Registration Act, Bante was sentenced to 18 months imprisonment and was fined \$1,000.

Max Blank



Max Blank came to the United States from Germany in 1928. Although he never became a US citizen, Blank had been employed in New York City at a German library and at a book store, which catered to German trade.

Paul Fehse, a major figure in this case, informed Germany that Blank, who was acquainted with several members of the spy ring, could secure some valuable information but lacked the funds to do so. Later Fehse and Blank met with Sebold in his office. They told Sebold that Blank could obtain details about rubberized self-sealing airplane gasoline tanks, as well as a new braking device for airplanes, from a friend who worked in a shipyard. However, he needed money to get the information.

Blank plead guilty to violation of the Registration Act. He received a sentence of 18 months' imprisonment and a \$1,000 fine.

Alfred E. Brokhoff



Alfred E. Brokhoff, a native of Germany, came to the United States in 1923 and became a naturalized citizen in 1929. He was a mechanic for the US Lines in New York City for 17 years prior to his arrest. Because of his employment on the docks, he knew almost all of the other agents in this group who were working as seamen on various ships.

Brokhoff helped Fehse secure information about the sailing dates and cargoes of vessels destined for England. He also assisted Fehse in transmitting this information to Germany. Also, another German agent, George V. Leo Waalen, reported that he had received information from Brokhoff for transmittal to Germany.

Upon conviction, Brokhoff was sentenced to serve a five-year prison term for violation of the espionage statutes and to serve a two-year concurrent sentence for violation of the Registration Act.

Heinrich Clausing

In September 1934, German-born Heinrich Clausing came to the United States, where he became



a naturalized citizen in 1938. Having served on various ships sailing from New York Harbor since his arrival in the country, he was employed as a cook on the SS *Argentine* at the time of his arrest.

Loosely associated with Franz Stigler, one of the principal contact men for the spy ring, Clausing operated as a courier. He transported micro-photographs and other material from the United States to South American ports, from which the information was sent to Germany via Italian airlines. He also established a mail drop in South America for expeditious transmittal of information to Germany by mail.

Clausing was convicted and was sentenced to serve eight years for violation of espionage statutes. He also received a two-year concurrent sentence for violation of the Registration Act.

Conradin Otto Dold

Conradin Otto Dold came to the United States from



Germany in 1926. He became a US citizen in 1934 under the Seamen's Act. Prior to his arrest, he was Chief Steward aboard the SS *Siboney* of the American Export Lines.

Dold was related to people holding high positions in Germany and was closely associated with other members of the espionage group who worked on ships sailing from New York Harbor. As a courier, Dold carried information from Nazi agents in the United States to contacts in neutral ports abroad for transmittal to Germany.

Dold was sentenced to serve ten years in prison on espionage charges and received a two-year concurrent sentence and a fine of \$1,000 for violation of the Registration Act.

Rudolf Ebeling

After leaving Germany for the United States in 1925, Rudolf Ebeling became an American citizen in

1933. He was employed as a foreman in the Shipping Department of Harper and Brothers in New York City when he was arrested.

Ebeling obtained information regarding ship sailings and cargoes, which he provided to Paul Fehse for transmittal to Germany. He also furnished such information to Leo Waalen, who delivered the material to Sebold for transmittal.



Upon conviction, Ebeling was sentenced to five years in prison on espionage charges. He also received a two-year concurrent sentence and a \$1,000 fine for violating the Registration Act.

Richard Eichenlaub

Richard Eichenlaub, who came to the United States in 1930 and became a citizen in 1936, operated the



Little Casino Restaurant in the Yorkville Section of New York City. This restaurant was a rendezvous for many members of this spy ring, and Eichenlaub introduced several new members into the group.

Eichenlaub reported to the German Gestapo and often obtained information from his customers who were engaged in national defense production. Through Eichenlaub, dynamite was delivered to Sebold from Bante.

Having entered a plea of guilty for violation of the Registration Act, Eichenlaub was sentenced to pay a fine of \$1,000 and to serve 18 months in prison.

Heinrich Carl Eilers

A native of Germany, Heinrich Carl Eilers came to



the United States in 1923 and became a citizen in 1932. From 1933 until his arrest, he served as a steward on ships sailing from New York City.

Eilers made a trip from New York to Washington, D.C. to obtain information for Germany from the Civil Aeronautics Authority. His mission, however, was unsuccessful.

At the time of his arrest in New York City by Customs authorities in June 1940, he had in his possession 20 letters addressed to people throughout Europe. He also had books relating to magnesium and aluminum alloys, which had been sent to him by Edmund Carl Heine, one of the principal espionage agents in this group.

Upon conviction, Eilers received a five-year prison sentence on espionage charges and a concurrent sentence of two years' imprisonment and a \$1,000 fine under the Registration Act.

Paul Fehse

In 1934, Paul Fehse left Germany for the United States, where he became a citizen in 1938. Since his arrival in this country, he had been employed as a cook aboard ships sailing from New York Harbor.



Fehse was one of the directing forces in this espionage group. He arranged meetings, directed members' activities, correlated information that had been developed, and arranged for its transmittal to Germany, chiefly through Sebold. Fehse, who was trained for espionage work in Hamburg, Germany, claimed he headed the Marine Division of the German espionage system in the United States.

Having become quite apprehensive and nervous, Fehse made plans to leave the country. He obtained a position on the SS *Siboney*, which was scheduled to sail from Hoboken, New Jersey, for Lisbon, Portugal, on March 29, 1941. He planned to desert ship in Lisbon and return to Germany.

However, before he could leave the United States, FBI agents arrested Fehse. Upon arrest, he admitted sending letters to Italy for transmittal to Germany, as well as reporting the movement of British ships.

On April 1, 1941, Fehse was sentenced on a plea of guilty to serve one year and one day in prison for violation of the Registration Act. He subsequently pleaded guilty to espionage and received a prison sentence of 15 years.

Edmund Carl Heine

A native of Germany, Edmund Carl Heine came to the United States in 1914 and became a naturalized citizen in 1920. Until 1938, he held various positions in the foreign sales and service departments of Ford Motor Company and Chrysler Motor Corporation. His employment took him to the West Indies, South America, Spain, and Berlin, Germany. Heine was closely associated with Dr. Hans Luther, former German Ambassador in Washington, D.C. and Prince Louis Ferdinand of Berlin.



Heine sent letters from Detroit, Michigan, to Lilly Stein, one of the German spies Sebold was instructed to contact. The letters contained detailed technical data regarding the military, aircraft construction, and various industries. He also wrote to aircraft companies to obtain information about their production, number of employees, and the time required to construct military planes.

After obtaining technical books relating to magnesium and aluminum alloys, Heine sent the materials to Heinrich Eilers. To ensure safe delivery of the books to Germany in case they did not reach Eilers, Heine indicated the return address on the package as the address of Lilly Stein.

Upon conviction of violating the Registration Act, Heine received a \$5,000 fine and a two-year prison sentence.

Felix Jahnke

In 1924, Felix Jahnke left Germany for the United States, where he became a naturalized citizen in 1930. Jahnke had attended military school in Germany and had served in the German Army as a radio operator.



Jahnke and Alex Wheeler-Hill secured the services of Josef Klein, a radio technician, in building a portable radio set for Jahnke's apartment in the Bronx. Jahnke used this radio to transmit messages, which were intercepted by the FBI, to Germany. He also visited the docks in New York Harbor to obtain information about any vessels bound for England.

After pleading guilty to violation of the Registration Act, Jahnke was sentenced to serve 20 months in prison and to pay a \$1,000 fine.

Gustav Wilhelm Kaercher



Gustav Wilhelm Kaercher came to the United States in 1923, becoming a citizen in 1931. He served in the German Army during World War I and was a former leader of the German Bund in New York. During visits to Germany, he was seen to have worn a German Army officer's uniform. At the time of his arrest, he was engaged in designing power plants for American Gas and Electric Company in New York City.

Kaercher was arrested with Paul Scholtz, who had just handed Kaercher a table of call letters and frequencies for transmitting information to Germany by radio.

As a result of his guilty plea to charges of violating the Registration Act, Kaercher received a \$2,000 fine and a prison sentence of 22 months.

Josef Klein



A native of Germany, Josef Klein came to the United States in 1925; he did not become a citizen. Klein, a photographer and lithographer, had been interested in the building and operation of shortwave radio transmitters.

Klein constructed a portable shortwave radio transmitting and receiving set for Felix Jahnke and Axel Wheeler-Hill. When he built the radio set, Klein knew it would be used for transmitting messages to Germany.

Upon conviction, Klein received a sentence of five years' imprisonment on espionage charges and a concurrent sentence of two years' imprisonment under the Registration Act.

Hartwig Richard Kleiss



Born in Germany, Hartwig Richard Kleiss came to this country in 1925 and became a naturalized citizen six years later. Following his arrival in the United

States, he was employed as a cook on various ships.

Kleiss obtained information for Germany, including blueprints of the SS *America* that showed the locations of newly installed gun emplacements. He included information about how guns would be brought into position for firing. Kleiss also obtained details on the construction and performance of new patrol torpedo boats being developed by the US Navy, which he submitted to Sebold for transmittal to Germany.

Kleiss had originally chosen to stand trial. However, after cross-examination, he changed his plea to guilty on charge of espionage and received an eight-year prison sentence.

Herman W. Lang



Herman W. Lang came to the United States from Germany in 1927 and became a citizen in 1939. He was one of four people Sebold had been told to contact in the United States.

Until his arrest, a company manufacturing highly confidential materials essential to the national defense of the United States had employed Lang. During a visit to Germany in 1938, Lang conferred with German military authorities and reconstructed plans of the Norden bomb sight from memory.

Upon conviction, Lang received a sentence of 18 years in prison on espionage charges and a 2-year concurrent sentence under the Registration Act.

Evelyn Clayton Lewis



A native of Arkansas, Evelyn Clayton Lewis had been living with Frederick Joubert Duquesne in New York City. Miss Lewis had expressed her anti-British and anti-Semitic feelings during her relationships with Duquesne. She was aware of his espionage activities and condoned them. While she was not active in obtaining information for Germany, she helped Duquesne prepare material for transmittal abroad.

Upon a guilty plea, Miss Lewis was sentenced to serve one year and one day in prison for violation of the Registration Act.

Rene Emanuel Mezenen

Rene Emanuel Mezenen, a Frenchman, claimed US citizenship through the naturalization of his father. Prior to his arrest, he was employed as a steward in the transatlantic clipper service.



The German Intelligence Service in Lisbon, Portugal, asked Mezenen to act as a courier, transmitting information between the United States and Portugal on his regular trips on the clipper. He accepted this offer for financial gain. In the course of flights across the Atlantic, Mezenen also reported his observance of convoys sailing for England. He also became involved in smuggling platinum from the United States to Portugal.

Following a plea of guilty, Mezenen received an eight-year prison term for espionage and two concurrent years for registration violations.

Carl Reuper

Having come to the United States from Germany in 1929, Carl Reuper became a citizen in 1936. Prior to his arrest, he served as an inspector for the Westinghouse Electric Company in Newark, New Jersey.



Reuper obtained photographs for Germany relating to national defense materials and construction, which he obtained from his employment. He arranged radio contact with Germany through the station established by Felix Jahnke. On one occasion, he conferred with Sebold regarding Sebold's facilities for communicating with German authorities.

Upon conviction, Reuper was sentenced to 16 years' imprisonment on espionage charges and 2 years' concurrent sentence under the Registration Act.

Evertt Minster Roeder

Born in the Bronx, New York, Roeder was a draftsman and designer of confidential material for the US Army and Navy.

Sebold had delivered micro-photograph instructions to Roeder, as ordered by German authorities. Roeder and Sebold met in public places and proceeded to spots where they could talk privately.

In 1936, Roeder had visited Germany and was requested by German authorities to act as an espionage agent. Primarily due to monetary rewards he would receive, Roeder agreed.



Roeder entered a guilty plea to the charge of espionage and was sentenced to 16 years in prison.

Paul Alfred W. Scholz

A German native, Paul Scholz came to the United States in 1926 but never attained citizenship. He had been employed in German book stores in New York City, where he disseminated Nazi propaganda.



Scholz had arranged for Josef Klein to construct the radio set used by Felix Jahnke and Axel Wheeler-Hill. At the time of his arrest, Scholz had just given Gustav Wilhelm Kaercher a list of radio call letters and frequencies. He also encouraged members of this spy ring to secure data for Germany and arranged contacts between various German agents.

Upon conviction, Scholz was sentenced to 16 years' imprisonment for espionage with 2 years' concurrent sentence under the Registration Act.

George Gottlob Schuh

George Schuh, a native of Germany, came to the United States in 1923. He became a citizen in 1939 and was employed as a carpenter.



As a German agent, he sent information directly to the Gestapo in Hamburg, Germany, from this country. Schuh had provided Alfred Brokhoff information that Winston Churchill had arrived in the United States on the HMS *George V*. He also furnished information to Germany concerning the

movement of ships carrying materials and supplies to Britain.

Having pleaded guilty to violation of the Registration Act, Schuh received a sentence of 18 months in prison and a \$1,000 fine.

Erwin Wilhelm Siegler



Erwin Siegler came to the United States from Germany in 1929 and attained citizenship in 1936. He had served as chief butcher on the SS *America* until it was taken over by the US Navy.

A courier, Siegler brought microphotography instructions to Sebold from German authorities on one occasion. He also had brought \$2,900 from German contacts abroad to pay Lilly Stein, Duquesne, and Roeder for their services and to buy a bomb sight. He served the espionage group as an organizer and contact man, and he also obtained information about the movement of ships and military defense preparations at the Panama Canal.

Subsequent to his conviction, Siegler was sentenced to 10 years' imprisonment on espionage charges and a concurrent 2-year term for violation of the Registration Act.

Oscar Richard Stabler



Born in Germany, Oscar Stabler came to this country in 1923 and became a citizen in 1933. He had been employed primarily as a barber aboard transoceanic ships.

In December 1940, British authorities in Bermuda found a map of Gibraltar in his possession. He was detained for a short period before being released.

A close associate of Conradin Otto Dold, Stabler served as a courier, transmitting information between German agents in the United States and contacts abroad.

Stabler was convicted and sentenced to serve five years in prison for espionage and a two-year concurrent term under the Registration Act.

Heinrich Stade



Heinrich Stade came to the United States from Germany in 1922 and became a citizen in 1929. Stade had arranged for Paul Bante's contact with Sebold and had transmitted data to Germany regarding points of rendezvous for convoys carrying supplies to England.

Following a guilty plea to violation of the Registration Act, Stade was fined \$1,000 and received a 15-month prison sentence.

Lilly Barbara Carola Stein



Born in Vienna, Austria, Lilly Stein met Hugo Sebold, the espionage instructor who had trained William Sebold (the two men were not related) in Hamburg, Germany. She enrolled in this school and was sent to the United States in 1939.

Lilly Stein was one of the people to whom Sebold had been instructed to deliver microphoto-graph instructions upon his arrival in this country. She frequently met with Sebold to give him information for transmittal to Germany, and her address was used as a return address by other agents in mailing data for Germany.

Miss Stein pleaded guilty and received sentences of 10 years' and 2 concurrent years' imprisonment for violations of espionage and restriction statutes, respectively.

Franz Joseph Stigler



In 1931, Franz Stigler left Germany for the United States, where he became a citizen in 1939. He had been employed as a crew member aboard United States ships until discharge from the SS *America* when the US Navy converted that ship into the USS *West Point*.

His constant companion was Erwin Siegler, and they operated as couriers in transmitting information between US and German agents abroad. Stigler sought to recruit amateur radio operators in the United States as channels of communication to German radio stations. He had also observed and reported defense

preparations in the Canal Zone and had met with other German agents to advise them in their espionage pursuits.

Upon conviction, Stigler was sentenced to serve 16 years in prison on espionage charges with 2 concurrent years for registration violations.

Erich Strunck



A seaman aboard ships of the United States Lines since his arrival in this country, Erich Strunck came to the United States from Germany in 1927. He became a naturalized citizen in 1935.

As a courier, Strunck carried messages between German agents in the United States and Europe. He requested authority to steal the diplomatic bag of a British officer traveling aboard his ship and to dispose of the officer by pushing him overboard. Sebold convinced him that it would be too risky to do so.

Strunck was convicted and sentenced to serve 10 years in prison on espionage charges. He also was sentenced to serve a two-year concurrent term under the Registration Act.

Leo Waalen



Waaen was born in Danzig while that city was under German domination. He entered the United States by "jumping ship" in about 1935. He was a painter for a small boat company, which was constructing small craft for the US Navy.

Waaen gathered information about ships sailing for England. He also obtained a confidential booklet issued by the FBI, which contained precautions to be taken by industrial plans to safeguard national defense materials from sabotage. Waalen also secured government contracts listing specifications for materials and equipment, as well as detailed sea charters of the US Atlantic coastline.

Following his conviction, Waalen was sentenced to 12 years in prison for espionage and a concurrent 2-year term for violation of the Registration Act.

Adolf Henry August Walischewski



A German native, Walischewski had been a seaman since maturity. He became a naturalized citizen in 1935. He became connected with the German espionage system through Paul Fehse. His duties were confined to those of courier, carrying data from agents in the United States to contacts abroad.

Upon conviction, Walischewski received a five-year prison sentence on espionage charges, as well as a two-year concurrent sentence under the Registration Act.

Else Weustenfeld



Else Weustenfeld arrived in the United States from Germany in 1927 and became a citizen 10 years later. From 1935 until her arrest, she was a secretary for a law firm representing the German Consulate in New York City.

Miss Weustenfeld was thoroughly acquainted with the German espionage system and delivered funds to Duquesne, which she had received, from Lilly Stein, her close friend.

She lived in New York City with Hans W. Ritter, a principal in the German espionage system. Her brother, Nickolas Ritter, was the "Dr. Renken" who had enlisted Sebold as a German agent. In 1940, Weustenfeld visited Hans Ritter in Mexico, where he was serving as a paymaster for the German Intelligence Service.

After pleading guilty, Else Weustenfeld was sentenced to five years' imprisonment on charge of espionage and two concurrent years on charge of registration violations.

Axel Wheeler-Hill



Axel Wheeler-Hill came to the United States in 1923 from his native land of Russia. He was naturalized as a citizen in 1929 and was employed as a truck driver.

Wheeler-Hill obtained information for Germany regarding ships sailing to Britain from New York Harbor. With Felix Jahnke, he enlisted the aid

of Paul Scholz in building a radio set for sending codes messages to Germany.

Following conviction, Wheeler-Hill was sentenced to serve 15 years in prison for espionage and 2 concurrent years under the Registration Act.

Bertram Wolfgang Zenzinger



Born in Germany, Zenzinger came to the United States in 1940 as a naturalized citizen of the Union of South Africa. His reported reason for coming to this country was to study mechanical dentistry in Los Angeles, California.

In July 1940, Zenzinger received a pencil for preparing invisible messages for Germany in the mail from Siegler. He sent several letters to Germany through a mail drop in Sweden outlining details of national defense materials.

FBI agents arrested Zenzinger on April 16, 1941. Pleading guilty, he received 18 months in prison for violation of the Registration Act and 8 years' imprisonment for espionage.

George John Dasch

The first sign of the German High Command's intention to engage in sabotage activities in the United States was disclosed by the apprehension of eight trained German saboteurs by Special Agents of the Federal Bureau of Investigation within two weeks after they had landed in the country from German submarines. These eight saboteurs had been thoroughly trained by the High Command of the German Army in the most modern methods of destruction and had been sent to this country for the specific purpose of interfering with the US war effort with particular emphasis being placed on interrupting production at aluminum and magnesium plants.

One group of these saboteurs landed on the beach at Amagansett, Long Island, on the night of June 13, 1942. The second group of four men was landed on a beach a few miles below Jacksonville, Florida, on June 17, 1942. After their landings, these men dispersed to various parts of the United States but

they were all in federal custody by June 27, 1942. The saboteurs were Ernest Peter Burger, age 36, George John Dasch, age 39, Herbert Hans Haupt, age 22, Edward John Kerling, age 34, Richard Quirin, age 34, Hermann Otto Neubauer, age 32, Werner Thiel, age 35, and Heinrich Harm Heinch, age 35. All of these men had been born in Germany and at one time or another had spent a portion of their lives in the United States, during which time they learned the English language and became acquainted with American customs. All of these men with the exception of Burger had returned to Germany since the outbreak of the present conflict. Burger had returned to Germany in 1933, after living in the United States for a period of six years.

Recruitment of Saboteurs

The German saboteurs who were sent to the United States were recruited for this work by one Lt. Walter Kappe who was attached to Abwehr 2 (Intelligence-2) of the German High Command and in charge of German sabotage in the United States. In addition to his connection with the German Army, Kappe was also an official in the Ausland Institute at Stuttgart, Germany; prior to the war, this organization was engaged in organizing Germans abroad into the Nazi Party and had the function of obtaining through Germans living in foreign countries various types of military, economic, political, and similar information. Kappe had lived in the United States from 1925 to 1937, during which time he took part in the organizing of the first Nazi organization in this country at Chicago known as Teutonia. He later was one of the principal organizers and an officer in the Friends of New Germany, which subsequently became the German-American Bund. In the latter organization, Kappe was press agent and in charge of propaganda and was editor of official Bund paper in the United States. Fritz Kuhn ousted him from the German-American Bund as a result of some inner-circle rivalries, after which time Kappe returned to Germany where he was placed in charge of the American section of the Ausland Institute at Stuttgart, Germany.

It is known that periodic meetings were held in Berlin and in other cities throughout Germany of those Germans who had formerly lived in the United States. These groups were known by the name Comradeship U.S.A. Walter Kappe was one of the

officials in charge of these meetings, which, it is believed, were held for the purpose of keeping up the morale of these Germans because they were accustomed to a higher standard of living in the United States than that which they had in Germany at that time. Kappe recruited several of the saboteurs from these groups. The Ausland organization also maintained a list of all Germans who returned to that country from the United States and was advised on all current arrivals. As a result of this information, Kappe was also able to keep in touch with all returning Germans and consider them for sabotage activities.

Another source of recruits for sabotage missions to the United States is the Germany Army. In three instances, Kappe was able to arrange the transfer of Germans who had been in the United States from the German Army into the sabotage organization. No information has been received to indicate that any of the saboteurs were coerced in any way to engage in sabotage activities in this country. It is known, however, that the German High Command thoroughly investigated the background of the individuals proposed for sabotage training, and it is interesting note that the German Government placed a high value on an individual who had belonged to the German-American Bund or a similar organization while residing in the United States. It was stated that this indicated to the German Government the definite German sympathies of the individuals involved. The inducement to these recruits to engage in sabotage



George John Dasch

activities was the fact that they would be fulfilling their duty to their country. They also were promised good positions in Germany and other rewards upon their return to that country after their mission had been completed. Each saboteur signed a contract with the German Government whereby they were to receive to their credit certain sums each month.

Sabotage Training

The saboteurs were trained for this mission in a school specifically used for the training of sabotage agents by the German High Command. This training school was located on what had formerly been a private estate belonging to a Jewish family on Quentz Lake, Bradenburg, near Berlin, Germany. The buildings on this estate had been remodeled to accommodate the instructors and students and one building was equipped as a laboratory. Accommodations were available at this school for approximately sixteen to twenty students, and it is known that this school had been used to train German sabotage agents for some time. The saboteurs received three weeks of intensive sabotage training and were instructed in the manufacture and use of explosives, incendiary material and various forms of mechanical, chemical, and electrical delayed timing devices. This training was both theoretical and practical. Considerable time was spent by the instructors with the saboteurs in developing complete background histories which they were expected to use in the United States. They were encouraged to converse together in the English language and to read American newspapers and magazines in order that no suspicion would be directed to them in the event they were interrogated while in this country. The following is an outline of the subjects in which the saboteurs received training:

- general chemistry
- Easily ignited incendiaries
 - Methods of igniting the above type of incendiary
- Incendiaries difficult to ignite
 - Methods of igniting these incendiaries
- Explosives, detonators and primers
- Mechanical, chemical and electrical timing devices
- Study on concealing identity in the United States, adoption of appropriate background, personal history, etc.
- Practical sabotage training

(After preparing incendiaries or explosives, the saboteurs were obliged to use them under realistic conditions)

Secret Writing

After the completion of the training school, the saboteurs were taken on a three-day tour of aluminum and magnesium plants, railroad shops, canals and river locks, and other facilities for additional instructions as to the most vital spots to be sabotaged, as well as to learn the vulnerability of these facilities to various types of sabotage.

Lt. Walter Kappe was in charge of this school. Two professors who were attached to the Technical Section of Abwehr 2, however, gave the technical training. The saboteurs were not permitted to make any permanent notes, which they could bring with them to the United States. All of their instructions had to be memorized. While at the school, maps of the United States were exhibited to them showing the important railroads and the places where sabotage would be most likely to cause a serious interruption in the transportation of raw material. They were also shown maps on which were located the principal aluminum and magnesium plants, as well as the locations of other important war industries. Similar maps outlining the important canals and waterways and the location of the important locks were also called to the attention of the saboteurs.

Sabotage Equipment

Each group of saboteurs brought with them to the United States four waterproof cases containing a large



Equipment buried by the German saboteurs who landed in Florida on June 17, 1942.

quantity of high explosives, bombs which were disguised to look like large pieces of coal, a considerable number and type of fuses, detonators and primers, as well as mechanical and chemical timing devices. One of the groups was also supplied with a considerable quantity of abrasive material for use in destroying railroad engines and other machinery. It was estimated that the explosives and other equipment furnished these men when utilized in connection with their training in preparing additional explosives and incendiary material would last the saboteurs two years. It is noted that no incendiary material of any kind was brought to the United States. It was expected that the saboteurs would be able to purchase in this country the necessary ingredients to prepare their own incendiary material.

The saboteurs were supplied with large sums of money in American currency that was to be used by them for their expenses in carrying out their work of destruction. The Technical Section of Abwehr 2 placed most of this money in secret compartments of small bags and pieces of luggage. Smaller amounts were given to each saboteur in money belts. The leader of each group was furnished with the sum of \$50,000 as a general fund. Each saboteur was given \$4,000 in his money belt and in addition, approximately \$400 in small bills for immediate use after his or her landing in the United States. The sum of \$5,000 was also given to the group leader for each man in his group. This sum was to be turned over to the individual saboteurs as required. Practically all of this money was in \$50 bills, none of which was counterfeit. At the time the saboteurs were apprehended by the FBI, \$174,588.62 of their funds was seized.

In connection with the money furnished to the saboteurs, it is interesting to note that the German High Command made two errors. They included in the sum of money furnished to the individual saboteurs American gold notes that were no longer in circulation in the United States. They also were furnished some bills on which Japanese letters had been placed or other foreign markings, which would have aroused suspicion if they had been tendered in this country.

In addition to the above equipment and money, the saboteurs were also furnished with forged Selective Service cards and Social Security cards made out in the names of the aliases they expected to use. Those saboteurs who did not possess American made clothing were furnished clothing by the German High Command from a storehouse where the Germans had accumulated a large stock of clothing manufactured in various countries foreign to Germany.

Submarine Landings

As previously stated, the saboteurs were brought to this country on two German submarines. These submarines departed during the early evening of May 26, and May 28, 1942, from a submarine base at Lorient, France. This method of travel was selected by the German High Command, who first considered sending these saboteurs to the United States in a sailing vessel. The saboteurs themselves had no choice as to their method of entry into this country, but the places of landing were selected in areas familiar to the leaders of the two groups. The landings by the saboteurs were made at night after the submarine had approached as close to the shore as possible. In one instance, one of the submarines actually touched bottom in approaching the shore. The landings were made from the submarines in small collapsible rubber boats. Sailors from the submarines accompanied the saboteurs to the shore and after the landing, returned to the submarines with the boats.

The saboteurs who landed in Long Island were fully attired in German Marine uniforms. The uniforms were worn in order that these men would be considered prisoners of war and not as spies in the event their landing was discovered and they were prisoners. Immediately upon landing, they changed into the civilian clothes that they had brought with them and buried the uniforms on the beach with the other sabotage equipment they had brought with them. The men landing in Florida wore bathing suits and the only military equipment they wore was a German soldier's cap. The cap was worn for the same reason that the saboteurs in Long Island wore the entire uniform.

There had been no previous arrangements made by the German High Command with anyone in the United States to assist in the landing of these

saboteurs, and, in view of the magnitude of the undertaking and the extensive training and preparations for this sabotage mission, it is believed that the Germans would have had someone assisting these landings if they had any sabotage organization whatsoever in the United States at the time.

The German saboteurs had been instructed by Lt. Walter Kappe, who appears to have been in complete charge in the recruitment, training, and preparation of this sabotage mission, not to commit any acts of sabotage until they had fully reestablished themselves in this country. They were advised, however, that there would be no objection if these men committed minor acts of sabotage such as placing explosives in locker boxes in department stores and railroad stations in order to affect the morale of the American people.

In accordance with their instructions, immediately upon landing in the United States the saboteurs buried the boxes of explosives and other equipment that they brought to this country with them. Small trench-type shovels were brought with them from the submarine to assist them in burying their equipment in the sand. All of this equipment was recovered, either prior to or subsequent to their apprehension.

A Coast Guardsman who was on patrol discovered the group of saboteurs who landed on the beach at Amagansett, Long Island, immediately after their landing. The Coast Guardsman at the time was unarmed, as were the saboteurs. The leader of the group of saboteurs attempted to bribe the Coast Guardsman to forget what he had seen and pressed upon him the sum of \$260. After indicating that he would accept the bribe, the Coast Guardsman returned to his station and spread the alarm, realizing that something unusual had occurred as he had heard one of the saboteurs speak in a foreign language, which he could not understand. Members of the Coast Guard station returned to the beach where the saboteurs had landed, but they had disappeared. The submarine could still be heard off shore at the time the Coast Guardsmen returned to the beach. The saboteurs in the meantime had left the beach and proceeded to the nearby railroad station where they caught the first westbound train for New York City.

One of the team members, George Dasch, telephoned the New York office of the FBI. Dasch told the FBI agent that he had important information for J. Edgar Hoover and that he, Dasch, was going to Washington to talk with Hoover. The next day Dasch took the train to Washington, spent the night at a local hotel, and the following morning walked into FBI Headquarters. Dasch provided the details of the saboteurs' training, their targets and turned over the substantial US currency provided by the German High Command to support their work in the United States. Based on Dasch's information, the FBI was able to arrest all the saboteurs in a few days.

Special Agents of the Federal Bureau of Investigation arrested two of the saboteurs, Heinrich Harm Heinck and Richard Quirin, in New York on June 20, 1942. Ernest Peter Burger was arrested on the same day, and, on June 22, George John Dasch, the leader of the group was also arrested in New York City.

The second group of saboteurs landed in Florida without anyone observing them. Shortly after landing, they changed into their civilian clothes and thereafter made their way to Jacksonville, Florida, where they remained for a short time, after which they dispersed to various parts of the United States. Two of the group, Herbert Hans Haupt and Hermann Otto Neubauer, proceeded to Cincinnati and then to Chicago. Edward John Kerling, the leader of this group together with Werner Thiel, proceeded to New York City from Jacksonville via Cincinnati. Kerling and Thiel were arrested on June 24, 1942, in New York. Haupt and Neubauer were apprehended on June 27, 1942, in Chicago.

Sabotage Objectives in the United States

The importance of the aluminum and magnesium industries, the so-called "light-metal" industry, to our war effort was emphasized to the saboteurs, and these industries were the primary objectives of the two groups of saboteurs. The saboteurs had received special training with respect to the destruction of this type of plant. The saboteurs were informed that if the production of aluminum and magnesium could be interrupted, it would have a serious effect on the number of military aircraft produced by the United States, which would have a definite effect upon the outcome of the war.

In addition to the aluminum and magnesium industries, certain other objectives were suggested to the saboteurs. A list of the objectives of the saboteurs is set forth hereinafter, but it is pointed out that this list was not expected to be all-inclusive, and the leaders of the two sabotage groups were instructed to use their discretion as to the places where their acts of sabotage should be committed, always keeping in mind, however, that they should endeavor to commit sabotage at such vital places as would seriously retard the production of transportation of war materials:

- Aluminum Company of America, Alcoa, Tennessee
- Aluminum Company of America, Massena, New York
- Aluminum Company of America, East St. Louis, Illinois
- Cryolite Plant (Philadelphia Salt Company, Philadelphia, Pennsylvania)
- Chesapeake and Ohio Railroad (vulnerable spots along right-of-way such as bridges and tunnels)
- Pennsylvania Railroad Depot, Newark, New Jersey
- The Hell Gate Bridge, New York City
- Locks on the Ohio River between Cincinnati and St. Louis
- Horseshoe Curve, Pennsylvania Railroad, Altoona, Pennsylvania
- Miscellaneous placing of bombs in locker rooms of railroad stations and in department stores

Prosecution

After the capture of both groups of saboteurs, the German Government made an effort via Swiss diplomatic channels to have the saboteurs treated as prisoners of war, which meant that they would be imprisoned until the end of the war, under the Hague Convention of 1907. The United States replied that the captured individuals were not soldiers but spies and could be executed without a trial. President Franklin D. Roosevelt ordered that the captured Nazis be tried by a secret military tribunal which would issue its findings without any appeal.

Pursuant to an Executive Order of the President of the United States, the eight saboteurs were tried before a Military Commission composed of seven United States Army Officers appointed by the President. Trial was held in the Department of Justice

Building, Washington, D.C. from July 8, 1942, until August 4, 1942. The saboteurs were prosecuted by the Honorable Francis Biddle, the Attorney General of the United States and by Maj. Gen. Myron C. Cramer, the Judge Advocate General of the War Department. During the trial, a petition of Habeas Corpus seeking trial by jury before a civilian court was denied.

On August 8, 1942, the President as indicted hereinafter confirmed the conviction and sentences of each of the saboteurs:

Edward John Kerling	death
Heinrich Harm Heinck	death
Richard Quirin	death
Werner Thiel	death
Hermann Otto Neubauer ..	death
Herbert Hans Haupt	death
Ernest Peter Burger	Life Imprisonment
George John Dasch	30 years imprisonment

All the individuals sentenced to death in the electric chair were executed at noon the next day. The executed men were buried in unmarked graves on a government reservation in Washington, D.C. In 1948, President Truman commuted the prison terms of George John Dasch and Ernest Peter Burger. On April 26, 1948, George Dasch and Ernest Peter Burger were flown to the American sector of occupied Germany and turned over to American military representatives, who freed them on parole to return to their native land.

There is attached hereto a brief biographic sketch of the German saboteurs.

Re: George John Dasch

George John Dasch was the leader of the group of German saboteurs who landed from a submarine at Amagansett, Long Island, on the morning of June 13, 1942. Dasch was subsequently apprehended by Special Agents of the Federal Bureau of Investigation, tried before a Military Commission in Washington, D.C., and upon his conviction was sentenced to thirty years' imprisonment.

Dasch is a German citizen, having been born on February 7, 1903, in Speyer-on-the-Rhine in Germany. Dasch entered a convent to study for the

priesthood when thirteen years of age and in 1917, at the age of fourteen, enlisted in the German Army, serving in Northern France for eleven months. Dasch illegally entered the United States on October 4, 1922, as a stowaway on an American ship. He returned to Germany in October 1923, in order to legally enter the United States, returning to the United States on the same vessel upon which he sailed to Hamburg. Between 1923 and 1941, Dasch returned to Germany on two short visits.

Dasch enlisted as a private in the US Army and served slightly more than one year, at which time he purchased himself out of the Army and received an honorable discharge.

On September 18, 1930, Dasch married Rose Marie Guille, a native American. While Dasch was in the United States he was engaged in various occupations but for the most part he worked as a waiter in various hotels and restaurants in the New York area. Dasch filed a declaration of intention to become a citizen but never applied for his final citizenship papers.

On March 22, 1941, Dasch left New York City to return to Germany by way of Japan. The expenses of his trip were by paid by the German Consulate in New York City. He arrived in Berlin on May 13, 1941. He was eventually employed by the German Foreign Office as a monitor of foreign-language broadcasts. While serving in this capacity, Lt. Walter Kappe of Abwehr 2 recruited him, and he returned to the United States as a member of a group of German sabotage agents.

Kappe first approached Dasch for this mission in November or December 1941. His employment with the radio listening stations was terminated on February 27, 1942. Dasch entered the sabotage school at Quantz Lake on April 10, 1942.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for George John Dasch.

Re: Ernest Peter Burger

Ernest Peter Burger was a member of the group of German saboteurs who were landed by submarine near Amagansett, Long Island, on the early morning

of June 13, 1942. Burger was subsequently taken into custody by Agents of the Federal Bureau of Investigation, tried before a military commission in Washington, D.C., and sentenced to life imprisonment after his conviction.

Burger was born on September 1, 1906, at Augsburg, Bavaria, Germany. He received an elementary and technical education. Upon completing his technical training in 1926, he worked as a machinist for one year. Burger arrived in the United States on February 26, 1927, on an immigrant quota visa. While in this country Burger worked in various machine shops in Milwaukee, Wisconsin, and Detroit, Michigan, and became a naturalized citizen on February 14, 1933, at Milwaukee, Wisconsin.

Burger left the United States on a visit to Germany on July 27, 1929, and returned to this country on October 27, 1929. Burger returned to Germany in the summer of 1933 where he remained until 1942, when he came to this country aboard a German submarine on a sabotage mission.

Burger became a member of the National Socialist Party in Germany in 1923 at Augsburg. There was some indication that his first trip to the United States was as a result of his activities with this political party, which was not then in power in Germany. Upon returning to Germany in 1933, Burger was readmitted to the Party and because of his previous membership, obtained employment with the Party in the political division of the Reichsleitungen, in which position he engaged in propaganda and journalism for internal consumption.

At the time of Hitler's blood purge within the Nazi Party, including the execution of Ernest Roehm, Burger was attached to Roehm's staff. Although Burger escaped the purge, the Gestapo arrested him in March 1940 for his criticism of certain Party politics and activities. He then spent seventeen months in a concentration camp. After Burger's release from the concentration camp, he was drafted into the German Army as a private. He then sought a different assignment and by reason of his friendship with certain old Nazi Party members, became acquainted with Lt. Walter Kappe of Abwehr 2 who subsequently recruited him for service as a saboteur in the United States.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Ernest Peter Burger.

Re: Heinrich Harm Heinck

Heinrich Harm Heinck was a member of the group of German saboteurs who were landed by submarine near Amagansett, Long Island, on the morning of June 13, 1942. Heinck was subsequently taken into custody by Agents of the Federal Bureau of Investigation, tried before a military commission in Washington, D.C., and upon his conviction was executed.

Heinck was born on June 27, 1907, at Hamburg, Germany. Heinck was educated in the public schools in that city and served as machinist's apprentice in the machine shop of the Hamburg-American Lines. He then became employed as machinist's help and oiler on vessels of his employer and after making several trips to the United States, jumped ship at the Port of New York during the summer of 1926. Heinck resided in New York City from 1926 until March 1939, during which time he married his German-born wife.

Heinck obtained employment in various machine shops in the New York area. During 1934 and 1935, he was a member of the German-American Bund and the O.D. (Ordungs Dienst). While a member of the Bund in New York, Heinck became acquainted with Walter Kappe, who at that time was editor of the German-American Bund news publication "*Weckruf*" and "*Beobachter*." Heinck eventually left the Bund when it was ordered that only American citizens could be members of the Bund. At that time, he joined the DAB (German-American Vocational League).

Heinck returned to Germany in March 1939, after an official of the German Labor Front in New York had urged his return. Through this official, the German Consulate in New York arranged for Heinck's return to Germany at a reduced fare.

Upon his arrival in Germany, Heinck obtained a position through the German Labor Front in a branch of the Volkswagenwerk plant in Braunschweig, which is owned by the German Labor Front. During this employment, Heinck met Richard Quirin, who was

employed at this plant and who later returned to the United States with Heinck as a saboteur. During Heinck's employment at this plant, he attempted to join the German Army but was rejected due to his employment as an expert tool and die maker in an essential war industry.

In January 1942, at a meeting of persons in Braunschweig who had formally lived in the United States, Heinck again met Walter Kappe, who was a speaker representing the Ausland Institute. At this meeting, Heinck and Kappe renewed their New York acquaintanceship. A short time thereafter, Heinck and Quirin were recruited by Kappe to return to the United States on a secret mission and after which, they received training at the sabotage school at Brandenburg.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Heinrich Harm Heinck.

Re: Richard Quirin

Richard Quirin was a member of the group of German saboteurs who were landed by submarine on the morning of June 13, 1942, near Amagansett, Long Island. Quirin was subsequently taken into custody by Agents of the Federal Bureau of Investigation, tried before a military commission in Washington, D.C., and upon his conviction was executed.

Quirin was born in Berlin, Germany, on April 26, 1908. He attended public schools in Germany and was thereafter employed as a machinist's help at Hanover, Germany, until 1927, when he immigrated to the United States arriving at the Port of New York on October 17, 1927.

Quirin remained in the United States until 1939, during which time he married a German-born girl and obtained employment at various places as a machinist and during the depression worked at odd jobs. He joined the Friends of New Germany about 1933 and was a member of the O.D. (Ordungs Dienst) group. He resigned from this organization sometime in 1934 at the direction of the German Consulate. The German Consulate enrolled him at that time as a member of the NSDAP.

In 1939, after learning that the German Government was paying the passage of any mechanics desiring to return to Germany, he contacted the German Consulate in New York City. The German Consulate paid his passage back to Germany, and Quirin departed from the United States in July 1939. Prior to leaving the United States, Quirin purchased Rueckwanderer marks with the money he had saved while he was in the United States.

Upon his arrival in Germany, he was met by a representative of the German Labor Front who questioned him concerning his trade and where he desired to work. He was thereafter assigned to work at the Volkswagenwerk at Braunschweig, Germany. While employed at this plant, Quirin became acquainted with Heinrich Harm Heinck.

In February 1942, Walter Kappe spoke to a meeting of persons living in Braunschweig who had previously resided in the United States. Heinck, thereafter, received a letter asking both him and Quirin to go on a trip to America to engage in some work for the German Government. This they agreed to and so advised Kappe. A short time later, they were instructed to proceed directly to Quentz Lake, Brandenburg, where they met Walter Kappe and other members of the group who went through the sabotage school with them.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Richard Quirin.

Re: Werner Thiel

Werner Thiel was a member of the group of German saboteurs who were landed by submarine near Ponte Vedra Beach, Florida on the early morning of June 17, 1942. Thiel was subsequently taken into custody by Agents of the Federal Bureau of Investigation, tried before a military commission in Washington, D.C., and executed upon his conviction.

Thiel was born on March 29, 1907, at Dortmund, Germany, where he was educated, receiving the equivalent of a high school education. Thiel was employed by German railroads as an apprentice machinist and as a machinist in a bicycle factory.

Thiel arrived in the United States from Germany on April 26, 1927, on a German immigrant quota visa. On April 30, 1927, Thiel filed a declaration of intention to become a citizen but made no further effort in this regard. Thiel remained in the United States until 1941, being employed at various occupations, principally at his trade as a machinist in the state of New York and the Middle West.

Thiel joined the Friends of New Germany in 1933 and continued as a member of this organization and the German-American Bund until 1936. He joined the NSDAP in 1939. Thiel returned to Germany on March 27, 1941, on a German passport, departing from San Francisco, California, on a Japanese liner proceeding to Germany via Japan, Manchuria, and Russia. The German Consulate in New York City financed Thiel's transportation to Germany on this trip.

Upon arrival in Germany, Thiel first visited his home and then sought employment in Berlin where he obtained a position at the Feilers Feinmechanik. In March, 1942, Thiel attended a social gathering of the Ausland group at which time he met Walter Kappe whom he had known in Chicago, Illinois, and also George John Dasch who had returned to Germany in the same group as Thiel. Shortly thereafter, Thiel was recruited by both Kappe and Dasch to return to the United States on a mission for the German Government. The nature of the mission was not explained to Thiel until after he had arrived at the sabotage school at Brandenburg.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Werner Thiel.

Re: Hermann Otto Neubauer

Hermann Otto Neubauer was a member of the group of German saboteurs who were landed by a German submarine on the morning of June 17, 1942 near Ponte Vedra Beach, Florida. Neubauer was subsequently taken into custody by agents of the Federal Bureau of Investigation, tried before a military commission in Washington, D.C., and upon his conviction was executed.

Neubauer was born in Fuhlsbuttl, Hamburg, Germany, on February 6, 1910. He attended public

school in Germany and became an apprentice cook. Thereafter, while serving as a cook on the SS *Hamburg* of the Hamburg-American Lines, he jumped his ship in New York City in July 1931, at which time he obtained employment as a cook on the SS *Leviathan* of the United States Lines. Neubauer, thereafter, entered the United States for permanent residence under an immigrant quota visa on November 23, 1931. Neubauer then remained in the United States working at his occupation as a cook in various hotels and restaurants and occasionally obtaining employment on an oceangoing vessel. Neubauer made a short visit to Germany in 1936. He married a native American on June 10, 1940.

Neubauer was a member of the German-American Bund in Chicago in 1935, but resigned because he was not a citizen of the United States. He thereafter became a member of the NSDAP in Chicago and remained a member of that organization until his return to Germany. In July 1938, Neubauer applied for and purchased one thousand dollars worth of Rueckwanderer marks.

Neubauer was a friend of Edward Kerling and joined with him and several others in purchasing the yacht *Lekala* in September 1939 in order to return to Germany and assist country in its war effort. The US Coast Guard did not permit the departure of this vessel, and the vessel was subsequently sold in the spring of 1940 at Miami, Florida. While Neubauer was in the United States, he applied for his first citizenship papers but thereafter did not make further effort to obtain his final naturalization papers.

Neubauer left New York on July 11, 1940 and returned to Germany via Lisbon, \$50.00 of his passage having been paid by the German Consulate in New York City. The Germany Consulates in Lisbon and Rome paid his passage from Lisbon to Germany. Upon his return to Germany, Neubauer was drafted in the Germany Army in November 1940 and received military training at Magdberg, Germany, until May 1941, when his outfit was sent to Poland. Neubauer was seriously wounded by shrapnel three days after the declaration of war between Germany and Russia. He was hospitalized at Stuttgart, Germany, for six months.

While convalescing at an Army Medical Center near Vienna, Austria, he received a letter from Lt. Walter Kappe of the German Army inquiring if he would be willing to go on a secret assignment to a foreign country where he had once lived. He agreed to accept such an assignment and during the latter part of March, 1942, he was called to his company office and furnished a railroad ticket to Berlin and an address, No. 6 Rankestrasse, where he was to report in civilian clothes. It was not until after he had proceeded to Lt. Kappe's office that he learned the nature of his mission to the United States and learned that his friend, Edward Kerling, was also to go on this mission.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Hermann Otto Neubauer.

Re: Herbert Hans Haupt

Herbert Hans Haupt was a member of the group of German saboteurs who were landed by a German submarine on the morning of June 17, 1942, near Ponte Vedra Beach, Florida.

Haupt was subsequently taken into custody by Agents of the Federal Bureau of Investigation, tried before a military commission in Washington, D.C., and upon his conviction was executed.

Haupt was born on December 21, 1919, at Stettin, Germany. His father, Hans Max Haupt, was a soldier in the German Army during the First World War and came to the United States in 1923. Haupt entered the United States with his mother in March 1925. Herbert Haupt derived American citizenship during the naturalization of his father who became a citizen on January 7, 1930.

Haupt was educated in the public schools of Chicago, Illinois, where his family had settled. He left high school during his third year in 1936 and obtained employment as an apprentice optician. Haupt was a member of the German-American Bund in Chicago.

On June 16, 1941, Haupt, accompanied by two friends, left Chicago for Mexico City. One of his friends was not allowed to enter Mexico, as he was

an alien. Haupt and his second friend, Wolfgang Wergin, after their arrival at Mexico City, went to the German Consulate where arrangements were made for Haupt and Wergin to return to Germany via Japan. The German Consulate furnished the expenses of this transportation and a German passport. The voyage to Japan was made in company with other Germans leaving Mexico. A short time after their arrival in Japan they went aboard a freighter, which, after evading the British blockade, arrived at Bordeaux, France.

Haupt thereafter visited relatives in Germany. He was unable to obtain employment and was eventually recruited by Lt. Walter Kappe to return to the United States on a secret mission on behalf of the German Government. He was then sent to the sabotage school at Quentz Lake where he first learned the nature of the mission he was to engage in. Wolfgang Wergin also arrived in Germany with Haupt. He obtained employment in Germany and is believed to be in that country at the present time.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Herbert Hans Haupt.

Re: Edward John Kerling

Edward John Kerling was the leader of a group of German saboteurs who landed on the coast of Florida near Jacksonville from a German submarine on June 17, 1942. Kerling was born in Wiesbaden, Germany, on June 12, 1909. He entered the United States on March 5, 1929, under an immigrant quota visa and remained in the United States until 1940. He returned to Germany on two short visits in 1933 and 1936. He returned to Germany on two short visits in 1933 and 1936. During this period Kerling married his German-born wife and worked at various fields of employment, most of the time being spent working as a chauffeur and a domestic. Kerling was an active member of the German-American Bund and was also a member of the National Socialist Party, and he made no effort to become an American citizen.

In September, 1939, after the outbreak of the war, Kerling, with a number of his friends who were active in the Bund, purchased the yacht *Lekala* aboard which they intended to return to Germany to assist Germany

in the war. This yacht excited the suspicion of the US Coast Guard, and it was stopped on two occasions. The yacht was finally sailed to Miami, Florida, where it was disposed of in the spring of 1940.

Kerling returned to Germany in June 1940, by way of Lisbon, Portugal. The German Government paid a portion of his fare to Germany. In August 1940, he obtained a position as a civilian employee of the German Army to monitor English radio broadcasts and translate the programs into German. After three months at this work, he obtained a position with the Propaganda Ministry in Berlin. In April 1942, Kerling was interviewed by Lt. Walter Kappe who inquired as to his experiences in the United States and whether he would be willing to return to the United States on a secret mission. Kerling agreed to return to the United States, although he was not informed of the nature of this mission until just before he entered sabotage school at Quentz Lake.

The files of the Federal Bureau of Investigation fail to indicate any prior criminal record for Edward John Kerling.

Plan Bodyguard

Overall Deception Policy for the War Against Germany—Intentions of This Paper

1. The intention of this paper is to formulate an overall deception policy for the war against Germany in accordance with CCS 426/1 of 6 December 1943, paragraph 9(e).

Object

2. To induce the enemy to make faulty strategic dispositions in relation to operations by the United Nations against Germany agreed upon at EUREKA.

Present Situation

3. The German General Staff will this winter be considering the strategic disposition of their forces to meet offensive operations by the United Nations in 1944. Though they will be forced to maintain the bulk of their forces on the Russian front, they already suspect that large-scale Anglo-American operations will be undertaken in Western Europe sometime in 1944. It is, however, doubtful whether they have at

present sufficient information regarding the timing and scope of this threat to justify any immediate changes in their strategic dispositions.

4. At a later stage, however, preparations for “OVERLORD” and to a lesser degree for “ANVIL” will be on such a scale and of such a type that the enemy cannot fail to appreciate our intention to carry out a cross-channel operation and an amphibious operation in the Western Mediterranean.

Deception Problem

5. The problem to be solved is twofold-

a. Overall Problem

We must persuade the enemy to dispose his forces in areas where they can cause the least interference with operations “OVERLORD” and “ANVIL” and with operations on the Russian Front.

b. Tactical Problem

As soon as our preparations for “OVERLORD” and “ANVIL” clearly indicate to the enemy our intention to undertake a cross-channel operation and an amphibious operation in the Western Mediterranean, Theatre Commanders concerned must implement their tactical cover plans to deceive the enemy as to the strength, objective and timing of “OVERLORD” and “ANVIL.”

Choice of Areas in Which to Contain Enemy Forces

6. In View of SEXTENT decisions our overall deception policy should be to contain enemy forces in areas where they will interfere as little as possible with operations on the Russian Front and with “OVERLORD” and “ANVIL.” Such areas are-

a. Northern Italy and Southern Germany

It should be possible by means of real operations and feints to contain a number of first quality divisions in this area.

“POINTBLANK” operations from Italy should also help to contain enemy fighter forces.

b. South East Europe

The JIC appreciate that the enemy will do his utmost to hold South East Europe, though limited withdrawals from the islands and Southern Greece

might be undertaken. Provided that we can persuade the enemy to believe that considerable forces and landing craft are being concentrated in the Eastern Mediterranean it should be possible to contain enemy forces in the Balkans. Our chances of success would be increased if Turkey joined the Allies, but even if she refused we might still induce the enemy to fear the results of our continued infiltration. The deception plan would be assisted to a marked degree if the Russian General Staff staged an amphibious threat to the Bulgarian-Roumanian coasts across the Black Sea.

c. Scandinavia

A threatened attack against Scandinavia should also help to contain some first-quality divisions and limited naval air forces. Such a deception plan would be assisted if the Germans were induced to believe that Sweden was prepared to co-operate with the Allies and if the Russians mounted a threat against enemy occupied territory in the Arctic.

Allied Preparation for “OVERLORD” and “ANVIL”

7. a. “OVERLORD”

It will be impossible wholly to conceal the gradual build up of Allied forces and other preparations in the United Kingdom during the next few months. In addition the enemy will appreciate that considerable American forces in the USA are available for transfer to Europe.

In these circumstances our best chance of deceiving the enemy would be to indicate that Anglo-American strategy is dictated by caution and that we have no intention of undertaking the invasion of the Continent until we had assembled an overwhelming force and the necessary landing craft; these would not be available until the late Summer. To support this story we must try to indicate that the assault and follow-up forces at present available in the United Kingdom are less than they in fact are, and that during the next few months we could only re-enter the Continent against little or no opposition.

b. “ANVIL”

Preparations and the build up for “ANVIL” should not be so apparent in the early stages, therefore the tactical cover plan eventually put into operation by

Allied Commander-in-Chief, Mediterranean Theatre, should suffice to cover this assault.

In the Mediterranean theatre the enemy has in the past been induced to overestimate Allied forces by 20 to 30 per cent. It would be an advantage if such exaggeration could be maintained especially in the Eastern Mediterranean.

Russian Front

8. The Russian offensive will presumably be continued during the next few months but it would be of assistance to our plans if we could lead the enemy to believe that the Russian main Summer offensive would not start before the end of June.

It would be plausible that this operations should thus precede “OVERLORD” and “ANVIL” thereby rendering the maximum assistance to these far more hazardous seaborne assaults.

Factors Against the Achievement of the Object

9. a. Preparations for “OVERLORD” during the next few months and any announcements of the appointment of prominent commanders in the United Kingdom will indicate to the enemy that our main strategy is switching from the Mediterranean to North Western Europe.

b. Statements both in the press and on the radio and the platform may continue to emphasize the likelihood of operations in 1944 from the United Kingdom against North Western Europe.

c. “POINTBLANK” operations from the United Kingdom will compel the enemy to keep strong GAF fighter forces in North Western Europe.

Factors for the Achievement of the Object

10. a. Germany’s armed forces are dangerously stretched by current operations and provided we can induce her to retain surplus forces in Scandinavia, Italy and the Balkans, she will find it difficult simultaneously to provide adequate forces for Russia, France and the Low Countries.

b. Germany’s defensive commitments are likely to be increased since-

i. The political and economic situation in Germany and occupied countries is deteriorating and may necessitate the maintenance of strong garrison forces in these areas.

ii. The attitude of neutrals and satellites may move further in favour of the Allies and compel Germany to dispose reserves to meet unfavourable developments.

c. The assembly of the Rosyth force in NE Scotland will reinforce the threat to Scandinavia.

Overall Deception Policy

11. The following Overall Deception Policy is based upon the considerations outlined above.

12. Allied Intentions

We should induce the enemy to believe that the following is the Allied plan for 1944.

a. "POINTBLANK" operations were seriously affecting the enemy's war potential and, if continued and increased, might well bring about his total collapse. Consequently, reinforcement of the United Kingdom and the Mediterranean by long-range American bombers has been given such a high priority that the ground forces build-up in the United Kingdom has been delayed.

b. The Allies must be prepared to take advantage of any serious German weakening or withdrawal in Western Europe and preparations to this end must be put in hand forthwith.

c. To concert in Spring an attack on Northern Norway with Russia with the immediate object of opening up a supply route to Sweden. Thereafter to enlist the active co-operation of Sweden for the establishment of air bases in Southern Sweden to supplement "POINTBLANK" with fighter bomber operations and to cover an amphibious assault on Denmark from the United Kingdom in the summer.

d. Since no large-scale cross-channel operation would be possible till late summer, the main Allied effort in the Spring of 1944 should be against the Balkans, by means of-

i. An Anglo-American assault against the Dalmatian coast.

ii. A British assault against Greece.

iii. A Russian amphibious operations against the Bulgarian-Roumanian coast.

iv. In addition Turkey will be invited to join the Allies to provide operation facilities including aerodromes to cover operations against the Aegean Islands as a prerequisite to the invasion of Greece. Her refusal would not materially modify the Allied intentions.

v. Pressure against the satellites to induce them to abandon Germany.

e. Anglo-American operations in Italy would be continued, and in order to hasten their progress, amphibious operations against the north-west and north-east coast of Italy would be carried out. Provided these were successful, 15 Army Group would later advance eastward through Istria in support of the operations mentioned in d. above.

Note: The operations in c. d. and e. above would enable us to employ our amphibious forces and retain the initiative until preparations for the final assault in the late summer were completed.

f. Though Russian operations would presumably be continued this winter it would not be possible for them to launch their summer offensive before the end of June.

g. In view of the formidable character of German coastal defenses and the present enemy strength in France and the Low Countries, possibly as many as twelve Anglo-American Divisions afloat in the initial assault and a total force of about fifty divisions would be required for a cross-channel assault. This operation would not be launched until the late summer (i.e. after the opening of the Russian summer offensive).

13. Allied strength and dispositions

We should induce the enemy to believe the following information regarding Allied strength and dispositions-

a. United Kingdom

i. Shortage of manpower has obliged the British Army in the United Kingdom to resort to cannibalization, while several of their formations are on a lower establishment, or still lack their administrative and supply units. The number of Anglo-American Divisions in the United Kingdom available for offensive operations is less than is, in fact, the case. Some United States Divisions arriving in the United Kingdom have not yet completed their training.

ii. Personnel of certain Anglo-American Divisions in the Mediterranean with long service overseas are being relieved by fresh divisions from the USA. British troops will, on relief, return to the United Kingdom where they will re-form and be utilized for training inexperienced formations.

iii. Invasion craft remains the principal bottleneck due to operations in the Pacific and the full number required for the initial assault cannot be made available from home production and the USA before summer.

b. Mediterranean

i. Anglo-American forces in the Mediterranean, especially in the Eastern Mediterranean, are greater than is, in fact, the case.

ii. French forces are taking over responsibility for the defense of North Africa, thus leaving Anglo-American forces free for offensive operations elsewhere in the Spring of 1944.

iii. Certain British Divisions and landing craft are being transferred from India to the Middle East.

iv. Fresh Divisions from the United States of America are expected to arrive in the Mediterranean.

Tactical Cover Plans

14. a. The United Kingdom

When the enemy realizes that cross-channel operations are imminent, the story indicating that no cross-channel attack will occur until late summer, will tend to lose plausibility. At this juncture the tactical cover plan prepared by Supreme Commander, Allied Expeditionary Force will come into force with a view to deceiving the enemy as to the timing, direction and weight of "OVERLORD."

b. Mediterranean

In due course the enemy will probably appreciate, especially from air reconnaissance, that an amphibious operation is being mounted in North African ports and Western Mediterranean Islands. At this stage, a tactical cover plan prepared by Allied Commander-in-Chief, Mediterranean Theatre will come into force with a view to deceiving the enemy as regards the timing, direction and weight of "Anvil."

Timing

15. The selection of a D day of all cover and deception plans mentioned above is a question to be decided by Supreme Commander, Allied Expeditionary Force. In this connection, it is recommended that the dates chosen should, in each case, be later than "OVERLORD" or "ANVIL D days, with a view to delaying the dispatch of enemy reinforcements for as long as possible.

The Supreme Commander, Allied Expeditionary Force after consultations with Commander-in-Chief, Mediterranean Theatre and the Controlling Officer will decide the tempo of the "OVERLORD" and "ANVIL" tactical cover plans.

Means of Implementation

16. a. Physical Means

Implementation by means of movements of forces, camouflage devices, W/T deception and other activities will be carried out in accordance with detailed plans prepared by Supreme Commander, Allied Expeditionary Force and Allied Commander-in-Chief, Mediterranean Theatre.

b. Diplomatic Means

Genuine diplomatic approaches will be required to lead the enemy to believe that we intend persuading Sweden to join the Allies and assist us in operations in Scandinavia.

Even if Turkey refuses to join the Allies in the near future, the enemy should be led to believe that our continued infiltration may give the Allies important opportunities in connection with a Balkan campaign.

c. Special Means

Implementation by means of leakage and rumors in support of plans prepared by Theatre Commanders will be co-ordinated by the London Controlling Section.

d. Political Warfare

The Political Warfare plan while not departing from its main purpose, should conform to the above general policy.

e. Security

Plan "BODYGUARD" cannot succeed unless the strictest security precautions are taken to conceal the true name of "OVERLORD" and "ANVIL" preparations.

The GARBO Operation

To support "Plan Bodyguard" the British used a double-agent operation, codenamed GARBO. GARBO was Juan Piyol Garcia who convinced German intelligence that he could provide them with information on the United Kingdom. He told the Abwehr that he was on his way to London to check on a currency racket there for the Spanish security services. German intelligence bought his story and recruited him. They gave Piyol secret ink to communicate with them via an accommodation address in Madrid. In reality, Piyol did not go to London but traveled as far as Lisbon where he began to send his reports to the Germans. He had no access to any information but created much of his

information from his incredible imagination and old maps and timetables from England. For ten months, between July 1941 and April 1942, he authored 40 long reports for German intelligence.

Piyol had offered his services to British intelligence in Madrid in January 1941 but was turned aside. It was not until Bletchley Park began deciphering the Enigma messages between Abwehr Headquarters in Berlin and its station in Madrid in 1942 that British intelligence decided to locate a "new German spy" in the United Kingdom that was providing outlandish British military information to the Germans. An investigation determined that this German agent was not operating in Great Britain but British intelligence could not provide any additional information as to his identity or location.

Through a fortunate set of circumstances, the British were able to learned of Piyol's existence. MI5 learned about Piyol from its Lisbon representative who was visiting London at the time. MI5 informed MI6 about Piyol. MI6 was able to arrange contact with Piyol through the US Naval Attaché in Lisbon. After contact was made, MI6 recruited Piyol and brought him to London in April 1942. He was given the codename GARBO.

This is the story of GARBO and his network of agents, which helped set the stage for the success of the Normandy Invasion on D-day.

On 24 April 1942, GARBO reached England from Spain and began work for British intelligence under the guidance of his case officer, who was bilingual in Spanish and English, and in peacetime specialized in the collection and sale of works of art. It was to prove one of those rare partnerships between two exceptional gifted men whose inventive genius inspired and complemented one another.

GARBO was a man of phenomenal industry. For the first year of his stay in England he communicated with his control in Madrid entirely by letter; messages in secret ink with covering letters written over them, notionally carried to Portugal by the employee of an airline running a regular service between London and Lisbon (the COURIER), who posted them to Abwehr accommodation addresses in Lisbon and collected the

replies from a safe deposit box in a Lisbon bank. In fact, delivery and collection was arranged by MI6. GARBO wrote altogether 315 such letters, their length averaging 2,000 words, as well as the equally garrulous covering letters that concealed them. After March 1943 he was able to supplement these by radio messages, notionally transmitted by a radio “ham” of leftwing sympathies who had built his own set and who believed that the ciphered messages he transmitted were the communications of a group of leftwing Spanish exiles with their comrades at home. A total of 1,200 messages were passed over this channel before the end of the war.

GARBO began to operate before there was a coherent deception policy for him to implement; so, for lack of anything better to do, as his case officer put it, “we tried to report in as much confusing bulk as possible and, in the absence of another objective, to increase our network of notional agents.” The “confusing bulk” was highly effective in that the Madrid Stelle of the Abwehr became so glutted with information that it made no further attempt to infiltrate agents into the United Kingdom. It became entirely dependent on GARBO, regarding him as a sensitive quarrelsome genius of priceless value who had at all cost to be humored and satisfied. By the end, GARBO and his British case officer were able to treat his German case officer as a temperamental mistress might treat an elderly and besotted lover, no assertion that GARBO made would be questioned, no demand went unmet.

By 1944, GARBO and his British case officer had between them built up a notional network of some 27 agents. In the first place there were five immediate contacts, labeled J1 to J5. J1 was the courier who carried the letters to Lisbon. He was himself involved in a smuggling racket and believed that GARBO was also. J2 was a Royal Air Force (RAF) officer employed at Fighter Command Headquarters, a casual acquaintance who unwittingly occasionally let slip important information. J3 was a most useful friend, an official in the Spanish section of the Ministry of Information, where he occasionally saw interesting policy documents. J4 was another official he met at the Ministry, a man of extreme leftwing views who worked in the censorship department. J5 was a girl secretary in the “Ministry of War” (sic)

who was a little in love with GARBO and who could be relied upon for the occasional silly indiscretion.

Then there were the agents themselves. The first two had been notionally recruited even before GARBO actually arrived in England, while he was writing his hilariously inaccurate letters from Lisbon. Agent 1 was a Portuguese commercial traveler named Carvalho, based at Newport, Monmouthshire; well placed to observe traffic in the Bristol Channel and, as it turned out, to make contact with dissident Nationalist elements in south Wales. Agent 2 was a German-Swiss businessman named Gerbers, domiciled in Bootle, who reported on traffic in the Mersey. Tragically, it became necessary for Gerbers to die of cancer during the autumn of 1942 before he could observe the assembly, in the Mersey estuary, of the convoys for TORCH (the invasion of North Africa by the allied forces). But, his unfortunate widow proved willing to carry on the activities of her deceased husband. She was recruited as Agent 2(1) (though usually referred to simply as “the Widow”) and became virtually GARBO’s personal assistant.

Agent 3 was a Venezuelan based in Glasgow, who observed traffic on the Clyde. A man of enthusiasm and efficiency, he became second in command of the network and took it over after GARBO had been notionally “blown” in 1944. He had three subagents of his own; an NCO in the RAF (3(1)); a talkative lieutenant in the notional 49th Infantry Division (3(2)); and a useful Greek sailor who operated on the east coast of Scotland (3(3)). The first two were unconscious agents, the last a Communist who believed that he was working for the Soviet Union. This network received from the Germans the codename BENEDICT.

Agent 4 was a Gibraltese, “Fred,” who originally worked as a waiter in Soho, where he put GARBO in touch with the radio operator already referred to. He was then directed by the Ministry of Labour, first to employment in a subterranean munitions depot in the Chislehurst caves, about which GARBO and his British case officer wove a rich fantasy for the benefit of the Abwehr; then to work in military canteens, where he picked up much useful information; and finally to one of the sealed military camps in the region of Southampton where he was able to observe the

final concentrations for OVERLORD. Strict security precautions prevented him from leaving his camp to report on these in detail until he broke out, as will be recalled, on the very eve of the operation with the news which GARBO transmitted to his control in Madrid; just too late to be of any value.

In addition to the Radio Operator (Agent 4(1)), "Fred" recruited a guard in the Chislehurst caves (4(2)) and, much more usefully, an American sergeant who worked in London for the US Service of Supply (4(3)). This man was a particularly valuable source. Not only was he well informed about the movements and constitution of the 1st US Army Group, but he was the son of a senior American officer on Eisenhower's staff who was ferociously anti-British and passed on to his son all the gossip about high-level disagreements that came his way. The Patton deception owed much to the information he so indiscreetly communicated.

Agent 5 was the brother of the Venezuelan, Agent 3, and was eventually dispatched to Canada to observe matters there. He had a colleague, an American commercial traveler (5(1)) who filled in with information about the United States. Agent 6 was an anti-British South African whose linguistic skills gained him employment with the War Office. He was posted to North Africa, where he collected much high-level and accurate information but since he could transmit it only by letter to GARBO, who then had to forward it to Lisbon, by the time it reached the Germans it was very out of date. He died, unfortunately, in an air crash in July 1943.

Finally there was a group of eight agents of whom the leader "Stanley" (7), was an anti-British Welsh nationalist, a seaman operating in Swansea. His network, known to the Germans as DAGOBERT, was recruited largely from Welsh dissidents like himself. It contained two rather curious characters: an Indian poet known as "Rags," who although he was recruited in Swansea lived in Brighton, where he was well placed to observe troop movements, and his mistress, Theresa Jardine, in the Women's Royal Naval Service. A little later this lady was posted to Ceylon and passed under the control of "D" Division in the Far East. (*Comment: The reader should bear in mind that none of these people actually existed.*)

By the summer of 1943, the existence of these networks was well established, and COCKADE (Diversionary operations in 1943 to pin down German Forces in the West) gave GARBO and his British case officer valuable practice in using them. A procedure was established by the London Controlling Section, which was to become the regular pattern by the time of OVERLORD. The cover story was broken down into a number of serials. Each serial contained a story to be passed to the enemy, the date by which it had to be in his possession, and the factual evidence for it. The evidence was then compared and collated with the observing capacity of the GARBO network, and appropriate messages were devised for the agents which, after clearance with the Service authorities (at first through the Twenty Committee but increasingly direct) were then passed on to Madrid in GARBO's inimitably florid style. From Madrid, as SIGINT revealed, these were sent directly to Berlin, where they made an excellent impression. After STARKEY (a notional attack by 14 British and Canadian divisions to establish a bridgehead on either side of Boulogne between 8 and 14 September) had passed its climax on 8 September 1943, his Abwehr case officer wrote enthusiastically to GARBO on 18 September: "Your activity and that of your informants gave us a perfect idea of what is taking place over there; these reports, as you can imagine, have an incalculable value and for this reason I beg of you to proceed with the greatest care so as not to endanger in these momentous times either yourself or your organization."

Four months later, in early January, his Abwehr case officer warned GARBO once more to prepare for action. German intelligence, he informed him on 5 January 1944, had learned that preparations were far advanced for a major operation based on the United States, which might materialize at a very early date. GARBO was therefore to find out everything he could about Allied military intentions, the dates of forthcoming operations, and the locations and strength of all land, sea, air, and amphibious forces that might be employed. This, he was told, included possible operations against Norway and Denmark, as well as those against the Channel coast.

To tackle this new assignment, GARBO redeployed his agents. Fortitude North was covered basically by the Venezuelan (3) in Glasgow and by the Greek sailor (3(3)) on the Scottish east coast. "Fred" from Gibraltar had, as we have seen, insulated himself into the heart of the Allied concentration around Southampton, while the DAGOBERT network covered the rest of the south coast, with agents in Harwich, Dover, Brighton, and the west country and south Wales. GARBO's informants in Whitehall had only to keep their eyes and ears open, and he himself picked up a lot of useful news and one or two documents in his capacity as part-time employee in the Ministry of Information. The agents sent their messages to him in secret ink, but GARBO now communicated with Madrid very largely by radio, sending an average of five or six messages a day. The information in GARBO's reports now found its way into the daily situation reports of Fremde Heere West (Army High Command Foreign Armies West); in particular, the Order of Battle projected by him and by BRUTUS (a Polish Air Force officer recruited by the Germans and sent to England via the French resistance in 1942, but who turned himself over to the British and was doubled back at the Germans—now established at First United States Army Group (FUSAG) HQS was accepted without question. All was carefully coordinated directly with Ops B at Supreme Headquarters Allied Expeditionary Force (SHAEPF), and a great deal of accurate information was included about the 21st Army Group. When the formations specified by GARBO as belonging to this Army Group were identified in Normandy, it made his further information about FUSAG all the more credible.

As part of the deception plan, GARBO was given permission to warn the Germans of the attack at Normandy. He did so at 3:00 A.M. on 6 June. The message to his controller in Madrid was timed to arrive too late to be of any value to the Germans. GARBO waited for a response, which never came. He again sent a second message at 6:08 A.M. Again in the evening he sent a third message, this time bitterly complaining of the German failure to respond to him. After his fourth message the next day, his controller finally responded, adding that the work GARBO did over the "past few weeks has made it possible for our command to be completely

forewarned and prepared, and the message of Four would have influenced but little had it arrived three or four hours earlier." Undeterred by this setback, GARBO summoned a meeting of all available agents, as a result of which he transmitted a long report, on the night of 8 June about the existing Allied dispositions.

"From the reports mentioned it is perfectly clear that the present attack is a large-scale operation but diversionary in character for the purpose of establishing a strong bridgehead in order to draw the maximum of our reserves to the area of operations to retain them there so as to be able to strike a blow somewhere else with ensured success...the fact that these concentrations which are in the east and southeast of the island are now inactive means that they must be held in reserve to be employed in the other large-scale operations. The constant aerial bombardment which the area of the Pas de Calais has suffered and the strategic disposition of these forces give reason to suspect an attack in that region of France which at the same time offers the shortest route for the final objective of their illusions, which is to say, Berlin...I learned yesterday that here were 75 divisions in this country before the present assault commenced. Suppose they would use a maximum of 20-25 divisions they would be left with some 50 divisions with which to attempt a second blow."

All this his Abwehr case officer acknowledged gratefully on 10 June. "With reference to your extensive information of the 8th on the concentrations still existing in the southeast of the Island, I am interested in the transmission with the maximum urgency of as much news as you can obtain of the embarkation and destination of these forces." At the same time Bletchley Park decrypted the congratulatory messages to GARBO's German case officer from Berlin. "In the name of Fremde Heere West, stated one on 9 June, "I express appreciation of previous work in the last week from CATO (GARBO's German codename) have been confirmed almost without exception and are to be described as especially valuable."

The Germans now began to press GARBO embarrassingly closely for information about the fall of V rockets on London. To deter them from this

undesirable practice, British intelligence arranged to have GARBO notionally arrested on 3 July while he was making indiscreet inquiries about V-bomb damage in Bethnal Green. Nothing could be proved against him, and he was eventually released with an official apology, which was duly transmitted to Madrid. When his Abwehr case officer congratulated GARBO on his release, he informed him also that the Fuhrer had been graciously pleased to bestow on him the order of the Iron Cross Class II. But the lesson had been learned. GARBO was asked no further questions about V-weapons, and he continued to put across prolific information about the reconstruction of FUSAG. This elicited from his Abwehr case officer the further message on 21 August: "Headquarters entrust me with the mission which I fulfill with the greatest satisfaction of again expressing to you our special recognition for the results achieved by you and your organization. They also made reference in this connection to the information which you have supplied to us since the invasion of France—news which has been of the greatest value to them...."

By the end of August, MI5 had begun to fear that GARBO's cover could not be preserved for very much longer. The growing number of Abwehr defectors in neutral countries must, MI5 thought, lead the Germans to assume that the Allies would by now have been informed of the existence of this network operating so effectively in their midst, and it would look very odd if it continued to operate undisturbed. In the middle of August, a Spanish informant did in fact tell MI6 about GARBO, and this was taken as the excuse for sending GARBO into notional retirement. GARBO informed his Abwehr case officer on 12 September that he had been warned of his betrayal by friends in Spain and was going to ground. The network would henceforth be operated by his Venezuelan Lieutenant GARBO himself would still mastermind operations from a cottage in Wales, but the British would be led to believe, by a forlorn and distraught Mrs. GARBO, that he had returned to Spain.

It was a neat solution. GARBO's deputy could not be blown, since his name had never been revealed to the Germans. An even more important guarantee of his security was that he did not exist. Communi-

cations ceased to be written in GARBO's inimitably baroque style, but they still continued, now, conducted directly by MI5. For the last six months of the war, therefore, the British security services were in direct radio communication with German intelligence, keeping it supplied with a stream of misinformation to which the latter attached the highest degree of credibility.

The Abwehr paid good money for their information. GARBO's notional expenses, partly to an address in Lisbon where the money was notionally collected by "the Courier," in fact picked up by MI6, and partly by a transfer of funds effected through a nominee of GARBO in Spain who held a sterling balance in London.

Igor Sergeyevich Guzenko

Igor Sergeyevich Guzenko, born 13 January 1919 at Rogachevo, Moscow Oblast, USSR, was a Soviet Army Lt. and cipher clerk in the military attaché's office in Ottawa, Canada. He defected to the Canadians in September 1945. His defection was one of the first in the immediate post World War II period and provided Western intelligence services with an insight into the extent of Soviet espionage in the West during and after the war.

Guzenko grew up in Rostov-on-Don. He was a member of the Komsomol. In 1937 he studied art in Moscow and taught at a school for illiterates to earn money for tuition. Later, he attended the Moscow Architectural Institute, and, at the outbreak of World War II, he entered the Kuybyshev Military Engineering Academy in Moscow. Subsequently, he received special training in ciphers at the higher Red Army Academy in Moscow and became a GRU cipher clerk. In April 1942, he was assigned to GRU Headquarters. Then in June 1943, under cover of translator and secretary, he was posted as a cipher clerk to the office of the Soviet military attaché in Ottawa, Canada.

As a cipher clerk and GRU officer, Guzenko was privy to many of the GRU espionage operations in Canada, USA, and UK. He was familiar with GRU activities directed against US and Canadian atomic

projects and military production and the GRU staff officers and their Canadian agents engaged in these activities.

In late August 1945 Guzenko inadvertently misplaced two rough draft copies of dispatches, which were found by a charwoman and handed in by her to the ambassador's office. Guzenko eventually learned that he was to be returned to Moscow for disciplinary action. He therefore decided to break with the Soviets.

On the night of 4 September 1945, Guzenko abstracted a number of GRU operational messages, along with other miscellaneous notes concerning espionage data and three dossiers of agents residing in Canada whose activities were directed by the Soviet military attaché. On 6 September 1945, Guzenko attempted to obtain an audience with the Canadian Minister of Justice to explain his position and furnish him the information in his possession.

Guzenko was referred to the Royal Canadian Mounted Police (RCMP). He was unsuccessful in getting anyone to listen to his story on that day and returned to his apartment. As he neared his apartment, he observed a Soviet security man from the embassy loitering in the neighborhood. That evening there was knock on his door, which he did not answer. When this person departed, Guzenko took his wife and son to a neighbor's apartment and notified the local police. When the police arrived, they found that Guzenko's door had been broken open and four Soviet Embassy employees were inside hiding behind the furniture. These individuals were ejected, and Guzenko and his family went to the RCMP on the morning of 7 September 1945.

In the course of subsequent interrogations, he gave a vast amount of information, supported by documents, which revealed the existence of a Red Army network in Canada. A Royal Commission, which was set up in February 1946 to examine this information, considered him to be a most reliable and informative witness. As a result of his defection, twenty persons, one of them a Canadian Member of Parliament, and many of them holding importance positions in the Canadian Government, were tried for supplying information to a foreign power, and at least

one Russian espionage network was entirely broken up.

The Canadian network described by Guzenko was directed by the Intelligence Department of the Red Army. Its head in Canada was Col. Zabolotin, the Soviet Military Attaché. Its agents were selected for their access to significant intelligence. A principal assignment given was information on the atomic bomb. His targets generally were military in nature, and concerned US, and even Brazilian, formations and dispositions.

Most of the agents Guzenko uncovered were employed in the Canadian Government; all were persons of intelligence and education. They were recruited through Canadian Communist Party contacts.

The Postwar Expansion of FBI Domestic Intelligence

In February 1946, Assistant Director Ladd of the FBI Intelligence Division recommended reconsideration of previous restrictive policies and the institution of a broader program aimed at the Communist Party. Ladd advised Director Hoover:

"The Soviet Union is obviously endeavoring to extend its power and influence in every direction and the history of the Communist movement in this country clearly shows that the Communist Party, USA has consistently acted as the instrumentality in support of the foreign policy of the USSR.

The Communist Party has succeeded in gaining control of, or extensively infiltrating a large number of trade unions, many of which operate in industries vital to the national defense....

In the event of a conflict with the Soviet Union, it would not be sufficient to disrupt the normal operations of the Communist Party by apprehending only its leaders or more important figures. Any members of the Party occupied in any industry would be in a position to hamper the efforts of the United

States by individual action and undoubtedly the great majority of them would do so....

It is also pointed out that the Russian Government has sent and is sending to this country a number of individuals without proper credentials or travel documents and that in the event of a breach of diplomatic relations there would undoubtedly be a considerable number of these people in the United States."

Therefore, Ladd recommended "re-establishing the original policy of investigating all known members of the Communist Party" and reinstating "the policy of preparing security index cards on all members of the Party."

He observed that "the greatest difficulty" with apprehending all Communists if war broke out was "the necessity of finding legal authorization." While enemy aliens could be interned, the only statutes available for the arrest of citizens were the Smith Act, the rebellion and insurrection statutes, and the seditious conspiracy law. These laws were inadequate because "it might be extremely difficult to prove that members of the Party knew the purpose of the Party to overthrow the Government by force and violence" under the Smith Act and "some overt act would be necessary" before the other statutes could be invoked. Hence, he proposed advising the Attorney General plans and the need for "a study as to the action which could be taken in the event of an emergency."¹¹⁶

Consequently, Director Hoover informed Attorney General Tom C. Clark that the FBI had "found it necessary to intensify its investigation of Communist Party activities and Soviet espionage cases." The FBI was also "taking steps to list all members of the Communist Party and others who would be dangerous in the event of a break in diplomatic relations with the Soviet Union, or other serious crisis, involving the United States and the USSR" The FBI Director added that it might be necessary in a crisis "to immediately detain a large number of American citizens." He suggested that a study be made "to determine what legislation is available or should be sought to authorize effective action...in the event of a serious emergency."¹¹⁷

Assistant Director Ladd proposed another FBI program, which was not called to the Attorney Gen.'s attention. He told the Director, "Apart from the legal problems involved, another difficulty of considerable proportions which would probably be encountered in the event of extensive arrests of Communists would be a flood of propaganda from Leftist and so-called Liberal sources." To counteract this possibility, he made the following recommendations:

It is believed that an effort should be made now to prepare educational material that can be released through available channels so that in the event of an emergency we will have an informed public opinion.

To a large extent the power and influence of the Communist Party in this country, which is out of all proportion to the actual size of the Party, derives from the support which the Party receives from "Liberal" sources and from its connections in the labor unions. The Party earns its support by championing individual causes, which are also sponsored by the Liberal elements. It is believed, however, that, in truth, Communism is the most reactionary, intolerant and bigoted force in existence and that it would be possible to assemble educational materials which would incontrovertibly establish the truth.

Therefore, material could be assembled for dissemination to show that Communists would abolish or subjugate labor unions and churches if they came to power. Such material would undermine Communist influence in unions and support for the Party from "persons prominent in religious circles." Additional material could be assembled "indicating the basically Russian nature of the Communist party in this country." Ladd proposed a two-day training conference for "Communist supervisors" from eighteen or twenty key field offices so that they might have "a complete understanding...of the Bureau's policies and desires...." These recommendations were approved by the FBI Executive Conference.¹¹⁸

The Federal Loyalty-Security Program

In 1947, President Truman established by executive order a Federal Employee Loyalty Program.¹¹⁹ Its basic features were retained in the Federal Employee Security Program authorized by President Eisenhower in Executive Order 10450, which is still in effect with some modifications today.¹²⁰ The program originated out of serious and well-founded concern that Soviet intelligence was using the Communist Party as an effective vehicle for the recruitment of espionage agents; however, from the outset, it swept far beyond this counterespionage purpose to satisfy more speculative preventive intelligence objectives. The program was designed as much to protect the government from the “subversive” ideas of federal employees, as it was to detect potential espionage agents.

A Temporary Commission on Employee Loyalty developed the basic outlines of the employee security program in 1946-1947. Its understanding of the problem was shaped largely by the report of a Canadian Royal Commission in June 1946. The Royal Commission had investigated an extensive Soviet espionage operation in Canada, which was disclosed by a defector from the Soviet Embassy. Its report described how employees of the Canadian Government had communicated secret information to Soviet intelligence. The report concluded that “membership in Communist organizations or sympathy towards Communist ideologies was the primary force that caused these agents: to work for Soviet intelligence. It explained that “secret members or adherents of the Communist Party,” who were attracted to Communism by its propaganda for social reform, had been developed into espionage agents. The Royal Commission recommended additional security measures “to prevent the infiltration into positions of trust under the Government of persons likely to commit” such acts of espionage.¹²¹ The impact of the report in the United States was that “questions of thought and attitudes took on new importance as factors of safety in the eyes of all those concerned with national security.”¹²²

A subcommittee of the House Civil Service Committee recommended shortly after release of the

Canadian commission report that the president appoint an interdepartmental committee to study employee security practices. FBI Director Hoover suggested to Attorney General Clark whom he should appoint to such a committee “if it is set up.”¹²³ When President Truman appointed a Commission on Employee Loyalty in November 1946, the FBI Director’s suggested Justice Department representative was made chairman, and the other members represented the Departments of State, War, Navy, and Treasury, and the Civil Service Commission.

The President’s Commission had less success than its Canadian counterpart in discovering the dimensions of the problem in the United States. FBI Assistant Director Ladd told the Commission that there were “a substantial number of disloyal persons in government service” and that the Communist Party “had established a separate group for infiltration of the government.” He also called the Commission’s attention to “a publication of the U.S. Chamber of Commerce” which had expressed the opinion “that Communists in the government have reached a serious stage.” The War Department representative on the Commission then stated that it “should have something more than reports from the Chamber of Commerce, FBI, and Congress, to determine the size of the problem.” However, when Assistant Director Ladd was asked later “for the approximate number of names in subversive files...and whether the Bureau had a file of names of persons who could be picked up in the even of a war with Russia,” the FBI official “declined to answer because this matter was not within the scope of the Commission.” The meeting ended with “general agreement that Mr. Hoover should be asked to appear...”¹²⁴ Therefore, the Commission prepared a lengthy list of questions for the FBI; but instead of Director Hoover appearing, Attorney General Clark testified in a session where no minutes were taken.

The Attorney General supplemented his “informal” appearance with a memorandum, which stated that the number of subversive persons in the government had “not yet reached serious proportions,” but that the possibility of “even one disloyal person” entering government service constituted a “serious threat.”¹²⁵ Thus, the President’s Commission accepted its foreclosure from conducting any serious evaluation

of FBI intelligence operations or FBI intelligence data on the extent of the danger. One commission staff member observed that these were felt to be “matters exclusively for the consideration of the counter-intelligence agencies.”¹²⁶

It is impossible to determine fully the effect of the autonomy of FBI counterespionage on the government’s ability to formulate appropriate security policies. Nevertheless, the record suggests that executive officials were forced to make decisions without full knowledge. They had to depend on the FBI’s estimate of the problem, rather than being able to make their own assessment on the basis of complete information. With respect to the employee loyalty program in 1947, the FBI’s view prevailed on three crucial issues—the broad definition of the threat of “subversive influence,” the secrecy of FBI informants and electronic surveillance, and the exclusive power of the FBI to investigate allegations of disloyalty.

Although Director Hoover did not testify before the President’s Commission, he submitted a general memorandum on the types of activities of “subversive or disloyal persons” in government service which would “constitute a threat” to the nation’s security. The danger as he saw it was not limited to espionage or the recruitment of others for espionage. It extended to “influencing” the formation and execution of government policies “so that those policies will either favor the foreign country of their ideological choice or will weaken the United States government domestically or abroad to the ultimate advantage of the...foreign power.” Consequently, he urged that attention be given to the association of government employees with “front” organizations. These included not only established “fronts” but also “temporary organizations, ‘spontaneous’ campaigns, and pressure movements so frequently used by subversive groups.” If a disloyal employee was affiliated with such “fronts,” he could be expected to influence government policy in the direction taken by the group.”¹²⁷

The President’s Commission accepted Director Hoover’s position on the threat, as well as the view endorsed later by a Presidential Commission on Civil Rights that there also was a danger from “those who would subvert our democracy by...destroying the

civil right of some groups.”¹²⁸ Thus, the standards for determining employee loyalty included a criterion based on membership in or association with groups designated on an “Attorney Gen.’s list” as:

Totalitarian, fascist, communist, or subversive, or has having adopted a policy of advocating or approving the commission of acts of force or violence to deny others their right under the Constitution of the United States, or as seeking to alter the form of government of the United States by unconstitutional means.¹²⁹

The executive orders provided a substantive legal basis for the FBI’s investigation of allegedly “subversive” organizations, which might fall within these categories.¹³⁰

The FBI also succeeded in protecting the secrecy of its informants and electronic surveillance. The Commission initially recommended that the FBI be required to make available to department heads upon request “all investigative material and information available to the investigative agency on any employee of the requesting department.” Director Hoover protested that the FBI had “steadfastly refused to reveal the identities of its confidential informants.” He advised the Attorney General that the proposal “would also apparently contemplate the revealing of our techniques, including among others, technical surveillance that are authorized by you.” The Director assured the Attorney General that the FBI would make “information available to other agencies to evaluate the reliability of our informants” without divulging their identities.¹³¹ The Commission revised its report to satisfy the FBI.¹³²

Director Hoover was still concerned that the Commission (and President’s executive order) did not give the FBI exclusive power to investigate allegedly subversive employees.¹³³ He went so far as to threaten “to withdraw from this field of investigation rather than to engage in a tug of war with the Civil Service Commission.”¹³⁴ According to notes of presidential aide George Elsey, President Truman felt “very strongly anti-FBI” on the issue and wanted “to be sure and hold FBI down, afraid of ‘Gestapo.’”¹³⁵ Presidential aide Clark Clifford reviewed the situation and came down on the side of

the FBI as “better qualified” than the Civil Service Commission.¹³⁶ Nevertheless, the President insisted on a compromise, which gave Civil Service “discretion” to call on the FBI “if it wishes.”¹³⁷ The FBI Director objected to this “confusion” as to the FBI’s jurisdiction.¹³⁸

Justice Department officials warned the White House that Congress would “find flaws” with this arrangement, and President Truman noted “J. Edgar will in all probability get this backward looking Congress to give him what he wants. It’s dangerous.”¹³⁹ President Truman was correct. The administration’s budget request of \$16 million for Civil Service and \$8.7 million for the FBI to conduct loyalty investigations was revised in Congress to allocate \$7.4 million to the FBI and only \$3 million to the Civil Service Commission.¹⁴⁰ The issue was finally resolved to the FBI’s satisfaction. President Truman issued a statement to all Department heads declaring that there were “to be no exceptions” to the general rule that the FBI would make all loyalty investigations.¹⁴¹

The rationale for investigating groups under the authority of the loyalty-security program changed over the years. Such investigations supplied a body of intelligence data against which to check the names of prospective federal employees.¹⁴² By the mid-1950s, the Communist Party and other groups fitting the standards for the Attorney Gen.’s list were no longer extensively used by Soviet intelligence for espionage recruitment.¹⁴³ Therefore, FBI investigations of such groups became—in combination with the “name check” of Bureau files—almost entirely a means for monitoring the political background of prospective federal employees. They also came to serve a pure intelligence function of keeping the Attorney General informed of “subversive” influence and infiltration.¹⁴⁴

No organizations were formally added to the Attorney Gen.’s list after 1955. Groups designated prior to that time included numerous defunct German and Japanese societies, Communist and Communist “front” organizations the Socialist Workers Party, the Nationalist Party of Puerto Rico, and several Ku Klux Klan organizations.¹⁴⁵ However, the FBI’s “name check” reports on prospective employees were never

limited to information about groups on the list. The list’s criteria were independent standards for evaluating an employee’s background, regardless of whether a group was formally designated by the Attorney General.¹⁴⁶

After 1955, a substitute for designation on the Attorney Gen.’s list was the FBI’s “characterization” or “thumbnail sketch” of a group. Thus, if a “name check” uncovered information about a prospective employee’s association with a group, which *might* fall under the categories for the list, the FBI would report the data and attach a “characterization” of the organization setting forth pertinent facts relating to the standards for the list.¹⁴⁷ This procedure made it unnecessary for the Attorney General to add groups to the formal list, since FBI “characterizations” served the same purpose within the executive branch.

FBI-Military Intelligence Jurisdictional Agreement¹⁴⁸

*Delimitations Agreement Between the FBI and US
Military Intelligence Services With Supplements,
February 23, 1949*

3-1 Delimitations Agreement

The following agreement was approved and signed on 2-23-49 by the Directors of the Federal Bureau of Investigation; Intelligence Division of the Army; Office of Special Investigations, Air Force; and the Chief of Naval Intelligence:

Subject: Delimitation of Investigative Duties of the Federal Bureau of Investigation, the Office of Naval Intelligence, the Intelligence Division of the Army, and the Office of Special Investigations; Inspector General, US Air Force. The Agreement for Coordination of the Federal Bureau of Investigation, Office of Naval Intelligence, Intelligence Division of the Army, and the Office of Special Investigations, Inspector General, US Air Force.

I. The undersigned have reviewed the directive contained in the President’s Memorandum of June 26, 1939, as augmented by his Directive of September 6, 1939, the Delimitations Agreement of February 9,

1942, and the Presidential Directive of October 30, 1947. In addition cognizance has been taken of the provisions of the Atomic Energy Act of 1946, and the specific application of that Act is set forth in Section II hereof. All other provisions of this Agreement are apart from and have no relation to the stated requirements of the Atomic Energy Act. In view of the above, it is now agreed that responsibility for the investigation of all activities coming under the categories of espionage, counterespionage, subversion and sabotage (hereinafter referred to as 'these categories') will be delimited as indicated hereinafter. The responsibility assumed by one organization in a given field carries with it the obligation to exchange freely and directly with the other subscribing organizations all information of mutual interest. When the organization with primary operating responsibility is unable for any reason to produce material in that field desired by the subscribing agencies, such special arrangements as may be legal or desirable will be worked out through negotiation at the national level prior to activity by one agency in another agency's field. It is recognized by the subscribers hereto that the Headquarters Department of the Army has decentralized such functions to its major subordinate commanders. When the major subordinate commanders of the Army cannot effect satisfactory special arrangements, the matter will be referred to the Director of Intelligence for the Army for further negotiations at the national level. Close cooperation and coordination between the four subscribing organizations is a mutually recognized necessity.

II. FBI will be responsible for:

1. All investigations of cases in these categories involving civilian and foreign nationals of all classes in the continental United States, Puerto Rico, the Virgin Islands, (the State of Hawaii,) and the States of Alaska except as specifically described hereinafter in Paragraph V, Section 5.
2. All investigations of violations of the Atomic Energy Act of 1946. There are no territorial or personnel limitations on this provision.
3. The coordination of the investigative activities of civilian agencies in the United States, Puerto Rico, the Virgin Islands, and the State of Alaska except as

specifically described hereinafter in Paragraph V. Section 5, which provide information regarding subversive movements and activities in these categories.

4. Keeping the other subscribing organizations advised of important developments in these categories within its cognizance, particularly:

a. Activities of inactive reserves of the armed services, including the National Guard.

b. Developments affecting plants engaged in armed forces contracts.

c. Developments concerning the strength, composition, and intentions of civilian groups within its cognizance which are classed as subversive and whose activities are a potential danger to the security of the United States.

d. Developments affecting those vital facilities and vital utilities which have been designated by the Secretary of Defense.

e. Developments affecting critical points of transportation and communication systems which have been designed by the Secretary of Defense.

(For b, d, and e above no protective coverage is contemplated.)

III. ID, Army will be responsible for:

1. The investigation and disposal of all cases in these categories involving active and retired military personnel of the Army.
2. The disposal, but not investigation, of all cases in these categories involving civilian employees of the Army in the United States, Puerto Rico, and the Virgin Islands.
3. The investigation and disposal of all cases in these categories involving civilian employees of the Army stationed in areas other than the United States, Puerto Rico, and the Virgin Islands, except that part

of such investigations as have ramifications in the United States, Puerto Rico, or the Virgin Islands.

4. The investigation of all cases in these categories involving civilians and foreign nationals who are not employees of the other subscribing organization, in where they Army Commander has supreme jurisdiction over the armed forces stationed therein, including possessions of the United States other than Puerto Rico and the Virgin Islands.

5. Informing the other subscribing organizations of any important developments.

6. Advising the Federal Bureau of Investigation of the identity and location of the plants engaged in Army contracts.

IV. ONI will be responsible for:

1. The investigation and disposal of all cases in these categories involving active and retired military personnel of the Navy.

2. The disposal, but not investigation, of all cases in these categories involving civilian employees of the Navy in the United States, Puerto Rico, and the Virgin Islands.

3. The investigation and disposal of all cases in these categories involving civilian employees of the Navy stationed in areas other than the United States, Puerto Rico, and the Virgin Islands, except that part of such investigations as have ramifications in the United States, Puerto Rico, or the Virgin Islands.

4. The investigation of all cases in these categories involving civilians and foreign nationals who are not employees of the other subscribing organization, in where the Navy Commander has supreme jurisdiction over the armed forces stationed therein, including possessions of the United States other than Puerto Rico and the Virgin Islands.

5. The investigation of all cases in these categories involving civilians and foreign nationals who are not employees of the other subscribing organizations and with the exception of civilian employees of the Executive Branch of the Government on Kodiak and

Afognak Islands adjacent to the Alaska Peninsula and Adak Island in the Aleutian Chain.

6. Informing the other subscribing organizations of any important developments.

7. Advising the Federal Bureau of Investigation of the identity and location of the plants engaged in Navy contracts.

V. The Office of Special Investigations, Inspector General, US Air Force will be responsible for:

1. The investigation and disposal of all cases in these categories involving active and retired military personnel of the Air Force.

2. The disposal, but not investigation, of all cases in these categories involving civilian employees of the Air Force in the United States, Puerto Rico, and the Virgin Islands.

3. The investigation and disposal of all cases in these categories involving civilian employees of the Air Force stationed in areas other than the United States, Puerto Rico, and the Virgin Islands, except that part of such investigations as have ramifications in the United States, Puerto Rico, or the Virgin Islands.

4. The investigation of all cases in these categories involving civilians and foreign nationals who are not employees of the other subscribing organization, in where the Air Force Commander has supreme jurisdiction over the armed forces stationed therein, including possessions of the United States other than Puerto Rico and the Virgin Islands. The investigations the same cases described above in that portion of Alaska described in Section 5, below, with the exception of civilian employees of the Executive Branch of the Government.

5. The investigation of all cases in these categories involving civilians, except as described herein above, (1) in that part of the Alaska Peninsula which is separated by a line drawn from Iliamna Bay northwest to the town of Old Iliamna and thence following the south shore of Lake Iliamna to the Kvichak River to the Kvichak Bay; (2) in the islands adjacent to the

Alaska Peninsula excluding Kodiak and Afognak Islands which are the responsibility of the Office of Naval Intelligence; (3) in the Aleutian Islands excluding Adak Island which is the responsibility of the Office of Naval Intelligence; and (4) in the Pribilof Islands.

6. Informing the other subscribing organizations of any important developments.

7. Advising the Federal Bureau of Investigation of the identity and location of the plants engaged in Air Force contracts.

VI. 1. Where Sections III, IV, and I involve general territorial coverage, responsibility for such coverage will pass from one element of the armed forces to another automatically when a change of command responsibility ensues. This provision is subject to modification by direct agreement between the interested elements of the armed forces.

2. While investigative jurisdiction over the civilian populace in former enemy territories occupied by the armed forces has been provided for in Sections III, IV, and V above, those provisions are subject to direct adjustment with the Department of State if and when that Department assumes governmental direction in such areas of occupation.

VII. From time to time it may be desirable in the light of changing conditions to modify or amend this Delimitations Agreement. Subject to the exceptions already provided for above, general amendments or modifications involving all of the four subscribing organizations shall be issued in the form of a revised Delimitations Agreement and not as separate instructions.

VIII. During periods of martial law, or periods of predominant armed forces interest not involving martial law, when agreed upon by the subscribing agencies, the provisions of Appendix A or B, hereto attached will additionally apply.

IX. All agreements of a continuing nature and applicable to two or more of the subscribing agencies to the Delimitations Agreement which affect the basic jurisdiction thereof which are not or hereafter

mutually entered into by any of the subscribers thereto will be reduced in writing; will thereafter become supplements to the Delimitations Agreement, and distributed only to the extent agreed upon by the co-signers.

(Signed) *S. Leroy Irwin*

Director of Intelligence

Department of the Army

(Signed) *Thomas B. Inglis*

Chief of Naval Intelligence

(Signed) *J. Edgar Hoover*

Director, Federal Bureau of Investigation

(Signed) *Joseph F. Carroll*

Director, Office of Special Investigations,

Inspector General, US Air Force

Appendix A—Period Of Martial Law

I. It is further agreed that when a state of martial law has been declared by the President, the armed forces commander will assume responsibilities for coverage in these categories. His authority to direct and control the subscribing agencies of the armed forces will be limited only by such instructions as he may receive from the Secretary of Defense. He will have authority to coordinate the intelligence activities of the subscribing agencies in his area of responsibility, within the limits of their available personnel and facilities, by the assignment of missions, the designation of objectives, and the exercise of such coordinating control as he deems necessary. He is not authorized to control the administration or discipline of the subscribing agencies in the area of his responsibility, nor to issue instructions to them beyond those necessary for the purposes stated above.

II. Personnel of the subscribing agencies in the area of responsibility of the armed forces commander will still send reports to and be under the continued supervision of their respective headquarters. They will render such aid and assistance to the armed forces commander and his designated representatives as are possible and practicable. They will furnish all pertinent information, data, and other material that are or may be necessary or desirable to the armed forces commander by the most expeditious means and methods possible consistent with requisite security. Each headquarters of the subscribing agencies will

promptly be advised by its agencies of all information and data appropriately identified as having been furnished to the armed forces commander.

Appendix B—Periods of Predominant Military Interests Not Involving Martial Law

I. In time of war certain areas will come into prominence as potential theaters of operation. When an armed forces commander of such a potential theater is designated, he definitely has interest in, though not control of, the civilian life within the area. In order that the armed forces commander may prepare himself for the discharge of the possible responsibility which may affix to him, the following procedure is agreed upon:

1. Agents of the FBI: of ONI: ID Army: and the OSI, IG, US Air Force will continue to function in accordance with the provisions of Sections, II, III, IV, and V.

2. In addition thereto, the armed forces commander may take steps to analyze the facilities existing and to explore the manner in which complete coverage will be obtained if martial law is declared. Adequate liaison with the other subscribing agencies will insure that the armed forces commander will have the benefit of the experience, judgment and knowledge of the representatives of the other agencies.

3. The armed forces commander is authorized to request and receive such information from the other three agencies as he may desire and they may be able to furnish.

II. The analysis and exploration referred to above will show the coverage furnished by each of the subscribing agencies and any additional coverage each subscribing agency can undertake. When the commander feels that more complete coverage is required, it is recognized that he is authorized to augment the coverage with such elements of the subscribing agencies as are under his jurisdiction. Prior to any invasion of the spheres normally coming under the cognizance of the other subscribing agencies, the armed forces commander should obtain the necessary authority from the Secretary of Defense.

III. Irrespective of the fact that the preceding recommendations have place the initiative in the hands of the armed forces commander, whenever any of the other services feel that such a survey to determined adequacy of coverage should be undertaken, it should be so recommended.

3-2 Instructions

The major differences between the foregoing Delimitations Agreement and previous versions are as follows:

The Director, OSI, USAF, is a party thereto. The Bureau has justification over all civilians insofar as espionage, counterespionage, subversion and sabotage are concerned, regardless of employment.

3-3 Supplemental Agreements to the Delimitations Agreement

On 6-2-49, supplemental agreements to the Delimitations Agreement were approved by the members of the Interdepartmental Intelligence Conference, and they are set out below. Instructions, where necessary, concerning each of the supplements will be found at the end of that supplement:

a. Supplemental Agreement No. (I) to the Delimitations Agreement:

Cooperation And Coordination Between The Federal Bureau of Investigation, the Intelligence Division of the Army, the Office of Naval Intelligence and the Office of Special Investigations, Inspector General, US Air Force.

The Director of Intelligence, US Army, the Director of the Federal Bureau of Investigation, the Director of Naval Intelligence and the Director of the Office of Special Investigations, Inspector General, US Air force, with a view to promoting the closest possible cooperation and coordination between the Field Services of these agencies agree that the following recommendations will be transmitted to their Field installations:

(a) Special Agents in Charge of the Federal Bureau of Investigation Divisional Offices, Military Intelligence Officers of the pertinent Armies, District Officers of the Office of Special

Investigations, Inspector General, US Air Force, and Naval District Intelligence Officers will maintain close personal liaison between those offices and their representatives, including a meeting of representatives of the four agencies, preferably the offices in charge, at least twice per month, for the purpose of discussing pending and contemplated investigative activities, and any other subject necessary to insure that there is proper coordination of their investigative work.

(b) The close personal liaison to be maintained between representatives of the four agencies at all times should insure that there is no duplication of effort in any field, and that a proper coverage of the whole investigative field is maintained. Particular attention should be paid to avoiding any duplication in connection with the use of informers.

(c) A distinction should be recognized between the investigative interest of individual agencies and to the coverage interest. It is believed that all four agencies should study, from time to time, the coverage of the investigative field in order to insure that all channels of interest and avenues of information are adequately covered by at least one of the participating agencies.

(d) Where there is doubt as to whether or not one of the other agencies is interested in information collected, it should be transmitted to the other agency.

(e) Considerations should be given to the fact that certain classes of information are of general interest to the Military, Naval, and Air Force intelligence services in connection with background and knowledge of espionage and sabotage organizations, even though the Military, Naval, and Air Force intelligence services may have no apparent direct investigative interest.

(f) Should differences of opinion of a minor nature occur, the directors of the four intelligence agencies feel that with proper

personal liaison, such differences can be satisfactorily adjusted locally by the officials in charge of the various divisional organizations.

3-3.1 Instructions

This supplement recommends meetings at least two monthly of the interested agencies. Where desirable or necessary, these meeting may be held more often than twice per month and in certain areas, because of the travel distances involved or other factors, meetings are being held once per month by special agreement. It is not necessary that FBIHQ be advised of the business discussed at these meetings, unless there is a particular matter of which FBIHQ should be cognizant. FBIHQ should be promptly informed of any change in the scheduling of these meetings or of any agreement to commence or discontinue meetings in a field office area.

Supplemental Agreement No. II to the Delimitations Agreement: (Rescinded.)

Supplemental Agreement No. III to the Delimitations Agreement: Investigative Jurisdiction on Vessels of Military Sea Transportation Service

1. The investigative jurisdiction of all activities under the categories of espionage, counterespionage, subversion and sabotage on vessels of the Military Sea Transportation Service is as follows:

a. Investigative jurisdiction on vessels purchased by the Navy will be the responsibility of the Office of Naval Intelligence.

b. Vessels obtained by the Navy through a 'bare boat charter' will be under the investigative jurisdiction of the Office of Naval Intelligence.

c. Vessels allocated to the Military Sea Transportation Service which are manned and supervised by their private owners are under the investigative jurisdiction of the FBI.

2. When personnel who are subjects of an investigation under a or b above reach a US PORT or a port where the FBI has a field agency, or prior to reaching such a port, if practicable, the Department of the Navy will promptly furnish the FBI all pertinent

information concerning the investigation. If personnel who are subjects of an investigation as above remove themselves from the vessel upon arrival of the vessel in port and further surveillance is considered necessary, the Navy will continue surveillance until notified by the FBI at local level that the FBI has taken over full responsibility for the case. However, both the Navy and FBI will make every effort to transfer responsibility upon arrival of the vessel in port.

3. When the FBI opens an investigation under c above or when an FBI investigation in progress develops or is believed about to develop ramifications under a., b. or c. above, the FBI will promptly furnish all pertinent information to the Navy and will thereafter coordinate its actions with the Navy whenever and wherever deemed necessary to insure proper pursuit of the case.

Supplemental Agreement No. (IV) to the Delimitations Agreement: Investigations of Private Contractors of the Armed Forces

It is agreed by the subscribers of the Delimitations Agreement (hereinafter referred to as subscribers) that with reference to investigations of civilian employees, applicants for employment, directors and key personnel of privately owned plants and facilities, working or bidding on contracts important to the Army, Navy or Air Force (hereinafter referred to as the Armed Forces) procurement, the following will be followed insofar as practicable. Exceptions thereto will be adjusted by mutual agreement between the subscribers concerned.

(a) The Armed Forces will conduct background investigations of such persons unless there is a particular reason for requesting that an investigation be conducted by the FBI or the FBI has a special interest in a particular case and has notified the Armed Forces of such interest.

(b) The FBI will conduct complaint investigations of such personnel upon specific request in each case by one or more of the Armed Forces. If one of the Armed Forces has no further need for an investigation requested, but not

completed, prompt notification will be made to the FBI.

(c) Investigations conducted by the Armed Forces under (a) above will be terminated and all information passed to the FBI when credible derogatory information of a loyalty nature is uncovered. Upon receipt of such a case, the FBI will proceed as under (b) above if one of the Armed Forces so requests.

(d) When one of the subscribers is aware that another is conducting an investigation on a person or firm identical or closely connected with a person or firm it contemplates investigating, no investigation will be undertaken without the consent of the subscriber which has an investigation in progress. The investigation agency will make available to the other interested agency copies of the reports of the investigation made.

(e) Normally, identity of confidential informants will not be communicated from subscriber to another: however, when such communication occurs, the receiving subscriber will employ the highest possible safeguards to insure that such informants are not compromised. No transmittal of information concerning confidential informants to a third subscriber or to another agency is authorized except by specific consent of the originator.

(f) A subscriber who receives a report of investigation from another subscriber may freely transmit copies of such reports to a third subscriber except as provided in (e) above.

(g) A report of completed investigation received by the Armed Forces from the FBI will not be reopened without the approval of the FBI except to obtain additional background information. In such cases, the FBI will be furnished copies of all information obtained. Other information required by the Armed Forces will be requested of the FBI.

(h) If one of the Armed Forces requests the FBI to conduct an investigation or conduct

additional investigations as required under (g) above, and if for any reason the FBI declines or is unable to conduct such investigation or additional investigation, the Armed Forces concerned may proceed with the investigation. The FBI will be furnished copies of the results there if the FBI so requests or if the Armed Forces concerned considers the results to be of FBI interest.

(i) Nothing above is to be construed as altering the basic Delimitations Agreement of 1949 or current agreements concerning subversive organizations.

Investigation of Reserve and Civilian Components of the Armed Forces

It is agreed by the subscribers to the Delimitations Agreement that the Army, the Navy and the Air Force may conduct background investigations on members of the inactive reserve and National Guard who are anticipated being called back to active duty, or when investigation is undertaken for the purpose of determining whether the individual may be granted access to classified military information. The following procedures shall be pursued in each of the above circumstances:

(1) The intelligence agencies of the Army, Navy or Air Force before undertaking such background investigation will consult the FBI to determine:

(a) if the FBI has an investigation in progress; if so, no investigation will be undertaken by the intelligence agencies except as may be mutually agreeable to the Armed Forces concerned and the FBI; (b) if the FBI already has made an investigation; if so, the results will be made available to the other agencies; (c) if the FBI has information on the individual even though it may not have conducted an investigation.

(2) If, after consulting the FBI, investigation is undertaken by the other agencies, it will be pursued no further than is necessary to make the determination required by the other agencies, and all information developed pertinent to the four categories will be furnished promptly to the FBI.

This supplement has been discussed by the Interdepartmental Intelligence Conference, and it was agreed on 9-10-58 that the consultation requirement will be satisfied by the FBI is notified, by means of a statement included in a request for a name check, that investigation is being initiated concerning the individual.

Supplemental Agreement No. (VI) to the Delimitations Agreement: Investigation in Areas Not Specifically Assigned

It is agreed by the military subscribers to the Delimitations Agreement that the references therein paragraphs III.4, IV.4, and V.4, to areas where the Army (Navy, Air Force) Commander has supreme jurisdiction over the armed forces stationed therein' shall be interpreted as referring to areas where the Department of the Army (Navy, Air Force) is responsible for the administrative and logistic support of the Headquarters of Commands established by the Secretary of Defense. (Approved by ICC November 4, 1959.)

Security and the Manhattan Project¹⁴⁹

The leaders of the American atomic energy program, aware of the tremendous military potentiality of atomic research, recognized almost from the beginning the need for maintaining a high degree of secrecy. An important factor in their decision in early 1942 to turn over administration of the program to the Army was their conviction that it was the organization best prepared during wartime to enforce a foolproof system of security. Such a system would ensure that the Axis powers remained ignorant of Allied interest in developing atomic weapons; reduce the likelihood that the Axis states, particularly Germany, would accelerate their own efforts to produce atomic weapons and undertake espionage and sabotage activities against the American program; and, most significantly, from the standpoint of military effectiveness, allow the Allies to employ these weapons against the Axis nations with maximum surprise.¹⁵⁰

Early Aspects

First efforts to establish security in atomic matters had occurred in 1939, when refugee physicists in the United States attempted to institute a voluntary censorship on publication of papers concerning uranium fission. American scientists did not accept this suggestion initially, but the outbreak of World War II brought home to many of them the need for control over publications relating to atomic fission. To formalize a censorship program, the Division of Physical Sciences of the National Research Council in April 1940 established a committee that succeeded in getting most scientists to withhold publication of papers on sensitive subjects, particularly those concerned with uranium fission.

In June, when the government-sponsored Committee on Uranium became a subcommittee of the newly constituted National Defense Research Committee (NDRC), it also became subject to the security measures currently in effect for federal agencies. The NDRC, knowing that it was to be concerned chiefly with projects for the Army and Navy, adopted security regulations that conformed to those of the two military services. Under these regulations NDRC subcommittees were required to adhere to a policy of strict compartmentalization of

information, to classify all sensitive materials, and to obtain security clearances for all employees.

Transfer of the NDRC uranium program to the Office of Scientific Research and Development (OSRD) in November 1941 did not significantly alter existing security arrangements, because the OSRD patterned its own security system largely along the lines of the NDRC program. As the OSRD became more involved in negotiation and administration of contracts with industrial and research organizations, however, it expanded its security controls to provide a more adequate coverage, adding security measures for personnel administration, classified information, and plant protection.¹⁵¹

The modest OSRD security system sufficed until, in the spring of 1942, the start of the uranium program's rapid expansion—the letting of numerous contracts with industrial firms; the employment and interaction of ultimately tens of thousands of workers, scientists, and engineers; and the formation of complex organizations to construct and operate the large-scale production plants and their atomic communities—enormously complicated the problems of security just at the time the Army undertook its new role as project administrator. Although



Street Scene in Los Alamos. The barbed wire fence separates the technical installations from the residential area.

these measures were necessary for the more rapid achievement of a successful fission weapon, they also tended to weaken security.¹⁵² Consequently, the Army almost immediately undertook a reorganization and expansion of the existing OSRD security system and, eventually, also endeavored to bring the system more directly under control of the Manhattan District. The system that finally evolved was in many respects unique and introduced a number of innovations in technique and organization that subsequently would be adopted as standard features of government security programs.

The District's Security System

The security system, as it took form in the newly established Manhattan District, resembled that already in existence in most other engineer districts. Under Army regulations in force in 1942, the security program of an engineer district was limited to routine local security requirements. When broader problems arose, the district engineer or security officer could call upon the resources of the Assistant Chief of Staff, G-2, in the War Department. Since June 1939, under provisions of a presidential proclamation, the War Department's Military Intelligence Division (MID) had shared responsibility for matters of espionage, counterespionage, and sabotage in the United States with the Federal Bureau of Investigation (FBI) and the Office of Naval Intelligence. In the latest revision (February 1942) of this Delimitations Agreement—so designated because it set forth the area of jurisdiction of each agency—the MID's assignment was to cover the military establishment, including War Department civilian employees and civilians on military reservations or under military control, plus a large part of the munitions industry.¹⁵³

Organization And Scope

Col. James C. Marshall, in organizing the Manhattan District security program soon after becoming district engineer in June 1942, formed the Protective Security Section. Under direction of a member of Marshall's staff, this section emphasized such aspects as personnel, plant, and military information security. At the same time, to provide the District security staff with counterintelligence assistance, Marshall arranged with the Assistant Chief of Staff, G-2, Maj. Gen. George V. Strong, for security liaison with the MID's operating element, the Military

Intelligence Service (MIS). From his staff, Gen. Strong assigned counterintelligence responsibility for the atomic project to Maj. John Lansdale, Jr., who had been a lawyer in civilian life.

Because effective security operations required maximum secrecy, Maj. Lansdale personally visited the Western Defense Command G-2 and each service command and requested that they each select an officer to report directly to him, bypassing both the G-2 and the commanding general of each service command.¹⁵⁴ To further facilitate carrying out the internal security functions for the atomic project, Lansdale also organized a quasi-clandestine counterintelligence group. This group operated under cover of the Investigation Review Branch, Assistant Chief of MIS for Security, which Lansdale headed. He reported directly to Gen. Groves, and his group in effect was answerable to the Manhattan Project commander in all substantive respects, even though it functioned from the G-2 office in the Pentagon.¹⁵⁵

By early 1943, the pace of the District's growth—both geographically and in terms of personnel—and its increasing security requirements emphasized the need for a more comprehensive counterintelligence program. In February, Gen. Strong transferred Capt. Horace K. Calvert and Robert J. McLeod to the District headquarters, where they formed the District's new Intelligence Section. To ensure that this section, which Cap. Calvert headed, had full access to the intelligence and security facilities of the Army service commands, Strong requested that each command designate a staff officer to act as a point of liaison with the Manhattan District and, to guarantee secrecy, authorized that each correspond directly with Calvert's section. At the same time, Groves continued his earlier practice of meeting with G-2 officers to make certain that District security problems were brought to the attention of appropriate Army officials.¹⁵⁶

The counterintelligence program became the foundation for a countrywide permanent organization of this aspect of the District's security system. During the course of the year, the District organized its own Counterintelligence Corps (CIC) and, as its staff increased in size, assigned new personnel to those areas where there was the greatest concentration of

project activities. Ultimately, the project had a total of eleven branch intelligence offices at key points across the United States, from New York to Pasadena (California). An officer assigned to a branch usually worked out of an area engineer's office and, in addition to his intelligence duties, served as security officer on the engineer's staff. While in matters of command these officers came under control of the Manhattan District intelligence and security officer and reported to him, they also maintained a direct liaison channel with the director of intelligence of the service command that had jurisdiction over their area.¹⁵⁷

Expansion and Centralization

Rapid growth also necessitated expansion of other aspects of the Manhattan Project's security system. In 1942, the District's relatively modest internal security organization had served well enough for a program that consisted primarily of administering research and development activities carried on in university and industrial laboratories; but, by the summer of 1943, a vast program of plant construction and operation had begun.

The move of the District headquarters from New York to Oak Ridge in August 1943 provided an opportune time for reorganization. The first step was consolidation in July 1943 of the Protective Security and Intelligence Sections. Capt. Calvert took over responsibility for the combined unit, designated the Intelligence and Security Section. Although this change was relatively minor from an administrative standpoint (the section continued in a distinctly subordinate position in the District's Service and Control Division), it represented a significant shift towards centralization in security matters. This change was consistent with Gen. Groves's conviction that only through a high degree of centralized control could he and his administrative staff maintain a close and constant scrutiny over the security program.¹⁵⁸

Shortly after the District had completed its move to Oak Ridge, a reorganization in the Army's administration of counterintelligence operations in the zone of interior (ZI) posed a threat to Groves's control and cognizance over the project's internal security functions. To economize on internal investigative operations and to concentrate G-2 efforts on

expanding counterintelligence operations overseas, the War Department directed the transfer effective 1 January 1944 of the WDGS (War Department General Staff) G-2 counterintelligence activities in the ZI to the Office of the Provost Marshal General. The effect was to decentralize even further the Army's ZI counterintelligence functions to the service commands including maintenance of data files on individuals, which Manhattan intelligence officials considered essential to their operations. The change also seemed certain to enhance the difficulties the atomic project already was experiencing coordinating its material security operations with the service commands.¹⁵⁹

From his vantage point as head of the atomic project's counterintelligence group inside G-2, Col. Lansdale endeavored to have the group exempted from the reorganization requirements. When his efforts failed, Gen. Groves decided that the only acceptable solution was to move Lansdale's unit into the Manhattan District. The G-2 sanctioned this change in December, and Lansdale secured authorization to establish a special counterintelligence detachment. Groves arranged for Lansdale's transfer to the Manhattan District; however, instead of placing him in charge of the new CIC Detachment, he brought Lansdale into his Washington office as his special assistant for security affairs. Lansdale's assignment was to keep the Manhattan chief abreast of problems and developments affecting internal security and foreign intelligence wherever they might arise in the project.¹⁶⁰

The shift of all project counterintelligence activities to the District required major changes in its security organization. The Intelligence and Security Section in February 1944 became a full-fledged division and, in keeping with Groves's centralization policy, moved from the Service and Control Division into the district engineer's own office. To replace Capt. Calvert, whom Groves had selected for a special intelligence mission in London, Col. Nichols—the district engineer since August 1943—brought in an experienced intelligence officer, Lt. Col. William B. Parsons, to head the new division. In this capacity, Parsons administered the District's security program with the assistance of Maj. McLeod, the deputy, and Capt. Bernard W. Menke, the executive officer, and

with support from a large operating staff of military and civilian personnel. Although Parsons officially reported to Nichols, he personally kept Gen. Groves apprised of all developments.

Expanding intelligence and security activities necessitated procurement of additional personnel to carry out supportive security functions, such as plant inspections and technical and undercover investigations. Col. Parsons drew 25 officers and 137 enlisted men from the War Department's counterintelligence manpower pool, and the District's personnel specialists recruited a large number of civilians. In May 1944, to provide administrative services for the expanding security force, Nichols activated the 13th Special Engineer Detachment (Provisional) and assigned Parsons the additional duty of unit commander. Concerned about achieving greater efficiency in security operations, Parsons requested and received permission in January 1945 to combine the 13th with the CIC Detachment.¹⁶¹

By this time, Parsons' Intelligence and Security Division had become a highly centralized unit, organizationally divided into six separate branches: Clinton Engineer Works (CEW), Security, Administration, Safeguarding Military Information (SMI), Branch Offices, and Evaluation and Review. The CEW, Security, and Administration Branches, for which McLeod had direct responsibility, dealt primarily with security matters at the Tennessee site. The CEW Branch administered the local civilian guard force and the military police contingent that protected the Tennessee reservation; coordinated subordinate security offices in the K-25 (gaseous diffusion), Y-12 (electromagnetic), and X-10 (pile) process areas; and, through a board established for the purpose, reviewed security cases. The Security Branch chiefly monitored activities related to security of project manufacturing plants, especially at the Clinton site, and the shipping of classified materials and equipment. The Administration Branch was concerned primarily with personnel security problems, both military and civilian, but also provided facilities for the special handling of the divisions mail and records and administered certain confidential funds.

The SMI, Branch Offices, and Evaluation and Review Branches, for which Capt. Menke had direct

responsibility, eventually evolved as a central clearinghouse for intelligence and security matters that related not only to the Tennessee site but also to the various project operations elsewhere. The principal responsibility of the SMI Branch was that of projectwide monitoring of programs in security education, censorship, and the handling of classified materials. The Branch Offices Branch, as its name would indicate, was responsible for coordinating field security operations in the eleven geographical areas where atomic energy activities were in progress and for reporting the area engineers' security problems to the division's Evaluation and Review Branch. The latter branch concentrated in one office the functions hitherto performed by several of the branch intelligence offices—most notably, those concerned with the conduct of subversive investigations and the preparation of special reports on District security matters for higher echelons.¹⁶²

Counterintelligence Activities

Counterintelligence activities constituted one of the most significant aspects of the District's security program. Through effective counterintelligence measures, the District sought to provide the shroud of secrecy necessary to forestall all attempts by the enemy not only to gain information about the American atomic energy program but also to sabotage it.

Yet by its very nature, the Manhattan Project remained vulnerable to espionage and sabotage. The District's recruitment of thousands of individuals with almost every conceivable kind of background and from all parts of the country made likely the employment of some potential spies and saboteurs, no matter how efficient its clearance procedures might be, and its widely scattered installations made implementation and maintenance of uniform security procedures throughout the project very difficult. The reality of these conditions forced project leaders to assume that, sooner or later, Germany and Japan—and even the Soviet Union—would learn of the atomic energy program and, more importantly, use espionage to expand their knowledge of it and sabotage to destroy America's military advantage.

To detect and counter potential espionage and sabotage activities, the District's CIC Detachment

relied primarily upon extensive intelligence investigations. The majority of these investigations were of a preventive character, designed to minimize the likelihood that security might be breached. Of this type, for example, were the many security checks into the unauthorized transmission of classified information. In most instances, CIC personnel found that the information leaks thus uncovered were the result of carelessness or ignorance on the part of the employee or individual with knowledge of the project. But because it was always possible such leaks were surface ramifications of much more dangerous espionage activity, all cases of careless handling of classified data received prompt and rigorous corrective action.

A second type of preventive investigation was the supplementary and more thorough check into the background of employees earlier subjected to routine clearance procedures. Most supplementary investigations were made because preliminary data indicated an employee might be a potential security risk or routine procedures had not produced adequate information about the person's background. Typical cases were those involving scientists or technicians who recently had come from abroad, especially those who had come from areas under control of the Axis powers. Faced with a continuing shortage of scientifically and technically trained personnel, project leaders early had adopted the policy of weighing the degree of risk against the contributions an employee with security clearance problems could make in development of atomic weapons. "All procedures and decisions on security, including the clearance of personnel," Groves recalled, "had to be based on what was believed to be the overriding consideration completion of the bomb. Speed of accomplishment was paramount."¹⁶³

Perhaps the most notable example of the application of Groves's dictum on employing talented individuals who were security risks was the case of J. Robert Oppenheimer. When the Manhattan commander decided to appoint Oppenheimer as head of the Los Alamos Laboratory in February 1943, he did so with full knowledge that the theoretical physicist, who had worked on the project since late 1941, had only an interim security clearance from the OSRD. OSRD Director Vannevar Bush, S-1 Committee Chairman

James B. Conant, and the other scientific leaders were generally aware of Oppenheimer's past record of association with Communist-related organizations and individuals. They knew that during the 1930s he had been attracted to a number of Communist-front organizations and, while never a member of the party itself, made fairly regular contributions to Communist-supported causes. Communist fellow travelers, including his former fiancée, were among his friends, and his wife and brother and sister-in-law were former Communists. With the signing of the Nazi Soviet pact in 1939, Oppenheimer had begun to have serious doubts about the Communists; however, he continued to contribute to the Spanish War Relief through party channels until the spring of 1942 and to maintain a casual contact with his former friends.¹⁶⁴

Despite his record of past Communist associations, Groves decided Oppenheimer was the best choice to direct the bomb laboratory at Los Alamos, for since 1941, he had been involved in this aspect of research and development under Metallurgical Laboratory Director Arthur Compton and in the summer of 1942 had become head of the project team concentrating on that work. Hardly had Oppenheimer arrived at Los Alamos in the spring of 1943 when the question of his clearance arose in a new form. At the request of the Manhattan commander, Lt. Col. Boris T. Pash, chief of the Counterintelligence Branch of the Western Defense Command, began an investigation of suspected Soviet espionage in the Radiation Laboratory at Berkeley. Several men known or thought to be associated with Oppenheimer came under suspicion and, as a result, so did Oppenheimer himself.¹⁶⁵ On 29 June, Pash submitted his conclusion that Oppenheimer "may still be connected with the Communist Party." He offered three possible courses: to replace Oppenheimer as soon as possible; to train a second-in-command at Los Alamos as a possible replacement; and, Pash's recommendation, to have Oppenheimer meet with Generals Groves and Strong in Washington so that they could brief him on "the Espionage Act and its ramifications" and also instruct him that the government was fully aware of his Communist "affiliations," that no "leakage of information" would be tolerated, and that the entire project would be held under "rigid control." In recommending this procedure, Pash was of the

opinion that Oppenheimer's "personal inclinations would be to protect his own future and reputation and the high degree of honor which would be his if his present work is successful, and, consequently,... that he would lend every effort to cooperating with the Government in any plan which would leave him in charge." In any event, he suggested, Oppenheimer should be told that two bodyguards were being assigned to protect him against violence from Axis agents. These bodyguards should be specially trained counterintelligence agents who would not only serve as bodyguards but also keep a check on Oppenheimer.¹⁶⁶

Col. Pash's report did not change Groves's opinion. After a quick visit to Los Alamos, during which he presumably discussed matters with Oppenheimer, Groves directed on 15 July that he be cleared. On his return to Washington a few days later, he directed "that clearance be issued for the employment of Julius Robert Oppenheimer without delay, irrespective of the information which you have concerning Mr. Oppenheimer. He is absolutely essential to the project." As he wrote the Secretary of War four years later, "it was apparent to me that [Oppenheimer] would not be cleared by any agency whose sole responsibility was military security. Nevertheless, my careful study made me feel that, in spite of [his] record, he was fundamentally a loyal American citizen

and that, in view of his potential overall value to the project, he should be employed."¹⁶⁷

Most security cases investigated by the District's CIC Detachment involved breaches of classified information or allegations against employees handling classified work of disloyalty to the United States or of affiliation with organizations espousing subversive ideologies. While many such cases presented the possibility of espionage, in fact, investigations turned up only about one hundred instances of such activity. When suspected cases appeared on the increase in 1943, the Manhattan commander selected a number of the District's own CIC personnel to serve as special undercover agents. They occupied strategically located positions in project offices, laboratories, and plants, set up listening posts, checked intensively into personnel and other records of individuals under suspicion, and took other measures designed to solve espionage cases.¹⁶⁸

The appointment of special agents was a move towards greater formalization of the procedure for dealing with espionage, which continued to increase as the project grew in size and scope. Another constructive measure was the establishment of a group of permanent surveillance squads to carry out supplemental and nonroutine personnel investi-



Security sign at the Tennessee site.

gations. Members of these squads, as well as other District security agents, soon became adept in employing professional counterespionage techniques and in using such surveillance equipment as cameras with special lenses (telephoto and other types) and concealable listening and recording devices. During their investigations of persons suspected of espionage activities, either District employees or individuals who had contact with project personnel, the agents operated in the guise of diverse roles—to mention only a few, hotel clerks, bell captains, tourists, electricians, painters, contractors, and gamblers.

To ensure effective functioning and control of the surveillance squads and other special security agents on a countrywide basis, District security officials developed new channels of coordination and communication through Col. Lansdale's counterintelligence staff at Groves's Washington headquarters, field security teams at the various branch intelligence offices had access to information from the FBI and other government security agencies. These field teams also had to file written reports of their findings and activities on a regular basis with the Evaluation and Review Branch of the Intelligence and Security Division. As these reports accumulated in the files at District headquarters, they became an important source of information for operation of the whole counterintelligence program. Gen. Groves, in particular, made use of the data garnered from these reports in concert with information acquired from other government agencies in preparing his periodic Military Policy Committee and Top Policy Group briefings on intelligence developments affecting the atomic program.

Espionage Incidents

The most serious espionage activity came not from the enemy but from America's wartime ally: Soviet Russia. Having in the United States a large diplomatic and consular staff as well as other officials for overseeing lend-lease and other assistance programs, the Russians had a more than adequate reservoir of personnel for maintaining an extensive espionage apparatus in this country. Soviet agents, masking as diplomatic and consular officials, turned to members of the Communist Party of the United States and to party sympathizers for assistance in penetrating American wartime institutions and projects. The

Russians, making the plea that the American Government was withholding important information and thus unnecessarily delaying Allied victory, recruited many native Communists and fellow travelers to assist them in obtaining vital secrets about wartime activities.¹⁶⁹

As early as February 1943, counterintelligence agents of the FBI and Western Defense Command became aware that the Russians were obtaining data concerning activities of the Radiation Laboratory at the University of California. Further investigation revealed that, in October 1942, a leading member of the American Communist Party on the West Coast had advised a fellow party member employed at the Radiation Laboratory to retain his position so he could obtain knowledge of the secret work under way there. This employee and other Communists or Communist sympathizers working at the laboratory were passing on information about the atomic project at Berkeley to Communist Party members, who promptly turned it over to the Soviet vice consul in San Francisco. Evidence came to light in early April that a high official in the Soviet Embassy in Washington had recently given money to a West Coast Communist leader, to be used for espionage. Intensive investigation by Western Defense Command counterintelligence agents resulted in prompt identification of those Radiation Laboratory employees who were engaging in espionage activities. The laboratory discharged the suspects and, where feasible, the Army inducted them into service, placing them in nonsensitive assignments in which they could be kept under regular observation.¹⁷⁰

The District's CIC Detachment scarcely had completed breaking the original espionage chain at Berkeley when, in late August, Oppenheimer reported his suspicion that new leaks apparently had developed in the laboratory's security system. On the occasion of a visit to Berkeley, Oppenheimer met with Col. Pash and told him he had learned that a member of the University of California staff, a man who had been a close friend, was acting as an intermediary for transmission of data from certain Radiation Laboratory employees to representatives of the Soviet Union. By Oppenheimer's account, his friend had been recruited by an official of the Federation of Architects, Engineers, Chemists, and Technicians, a

CIO (Congress of Industrial Organizations) union currently trying to organize employees of the Radiation Laboratory. In subsequent questioning, Oppenheimer refused to disclose the name of his friend on the grounds that he was certain the friend was no longer passing information to Soviet representatives.

Oppenheimer's uncooperativeness at this juncture resulted in the Manhattan commander taking personal action. Groves promptly met with the Los Alamos Laboratory chief and, because the security of the atomic project was at stake, ordered him to reveal the name of his friend. Faced with Groves's insistence in the matter, Oppenheimer named Haakon Chevalier, a professor of romance languages at the University of California. A short time later, the university dismissed Chevalier from his teaching post, and he left Berkeley. In retrospect, the likelihood that Chevalier passed any classified information about the project to the United States seems remote.¹⁷¹

The Chevalier case was not the final incident of espionage at the Radiation Laboratory. Less than a year later, another serious security leak had developed there. With assistance from Communist Party members living in the San Francisco area, a key scientist from the laboratory met with officials from the local Soviet Consulate. The scientist passed on information concerning the pile process, certain chemical data, and the recently arrived British scientists. The District's CIC Detachment was able to end this espionage activity effectively by securing immediate discharge of the offending scientist, after which, as far as is known, representatives of the Soviet Union made no further attempts to get information from the Berkeley project.¹⁷²

Meanwhile, probably acting on the basis of information gained at the Radiation Laboratory, the Russians had assigned one of their best men to the Chicago area, with the task of establishing an espionage channel at the Metallurgical Laboratory. By early 1944, this Soviet agent, who was a highly trained engineer with working experience in both Russian and American industry, had made contacts with several Metallurgical Laboratory employees. By the time the FBI learned of his activities in April, the Soviet agent had obtained considerable technical

information, which he had passed on to the Russian Consulate in New York. Once identified, the laboratory summarily dismissed the suspected employees. Subsequently, the District's CIC Detachment discovered that one of the discharged workers—a reserve officer who had been called to active duty and assigned to the Northwest Territory in Canada—had taken highly classified material with him when he left the Metallurgical Laboratory. Fortunately, District security officials were able to arrange for confiscation of this material (it was located in the officer's baggage) and for transfer of the officer to a post in the Pacific Theater of Operations where he would have no opportunity to pass on his knowledge to Russia or the Axis powers.¹⁷³

Judged in terms of the ultimate utility of the information gained, Russian efforts at espionage at the Los Alamos Laboratory in late 1944 and early 1945, the crucial period of bomb development, were the most successful of the wartime period. But project counterintelligence agents did not learn of this activity until the late summer of 1945, after the war was over. In a sensational postwar trial, Julius and Ethel Rosenberg and Morton Sobell were convicted of stealing classified data from the laboratory with the assistance of Mrs. Rosenberg's brother, David Greenglass, an Army sergeant at Los Alamos, and of transmitting it to Russian agents. Los Alamos, too, was the place where the German refugee scientist, Klaus Fuchs, while serving as a member of the British team sent to the United States under the interchange program, gained a substantial part of the technical knowledge of the bomb that he subsequently passed on to the Russians, first in June 1945 and thence periodically until his arrest by British authorities in early 1950.¹⁷⁴

Project leaders also had anticipated that, as the Russians, the Axis powers, particularly Germany would launch an equally vigorous espionage campaign, but they uncovered no evidence of such activity during the war. In early 1944, at a time when available Allied intelligence indicated that the Germans might well have attained an advanced stage in the development of atomic weapons, the Military Policy Committee reported to the Top Policy Group that "no espionage activities by the Axis nations with

respect to this project have been discovered, although there have been suspicious indications.”¹⁷⁵

In a project where the ultimate goal depended upon continuous progress in intricate and closely related production processes, unscheduled delays or interruptions of any kind could be disastrous. Sabotage in any form, whether perpetrated by outsiders or insiders bent upon slowing down or disrupting a particular process, constituted an ever-present hazard. Recognizing the seriousness of this threat, Gen. Groves directed that any suspicion of sabotage be reported to him immediately. In keeping with Groves’s policy of constant vigilance to detect any hint of sabotage, the District’s CIC Detachment thoroughly investigated every instance of mechanical failure, equipment breakdown, fire, accident, or similar occurrence not readily attributable to normal causes, and kept under constant observation all processes and activities that might attract the efforts of saboteurs. In addition, other security personnel regularly inspected the security systems and personnel clearance procedures at the project’s various installations, with the objective of detecting and correcting possible weaknesses that might invite sabotage.¹⁷⁶

Illustrative of Groves’s policy was the investigation into the mystifying failure of the first great magnets installed in the electromagnetic plant at the Clinton Engineer Works. Following a brief period of operation, the magnets began to malfunction. After disassembling one of the magnets piece by piece, Kellex engineers found that in its oil circulation and cooling system rust and dirt particles were bridging the gaps between the silver bands forming the coil component, which they attributed to the manufacturer’s failure to maintain sufficiently rigid standards of cleanliness. The significance of this incident was that it revealed the inherent vulnerability of the electromagnetic installations and the need for constant surveillance in order to thwart possible sabotage.¹⁷⁷

The district’s continuous and thorough efforts to protect the project’s installations and operations against sabotage were successful. During the war years, there were no definitely established incidents of sabotage traceable to enemy agents. In most cases where breakdowns or other failures occurred under suspicious circumstances, investigations revealed they were probably the result of causes other than



Changing of the Guard: Military Police Contingent at CEW.

enemy sabotage. For example, during construction of the original gaseous diffusion plant at the Tennessee site, inspectors discovered someone had driven nails through the rubber coverings of vital electric cables leading underground from the power plant to the main production plant. The perpetrators of this act were never found, although the evidence indicated strongly it was the work of disgruntled employees.¹⁷⁸

A quite different type of interference with plant operation briefly threatened the Hanford Engineer Works in early 1945. Groves reported to the Military Policy Committee in February that Army and Navy intelligence had recorded more than fifty incidents of Japanese balloons at various sites along the Pacific Coast, some of them carrying incendiary and fragmentation bombs. While none of these appears to have been directed specifically against the Hanford installations, on 10 March a balloon of this type struck a high tension transmission line running between the Grand Coulee and Bonneville generating stations and caused an electrical surge through the interconnecting Hanford line that carried power to the production piles. Automatic safety devices at the three piles were activated, briefly shutting down their operation. Fortunately, the bombs attached to the balloon did not explode and the transmission line was not seriously damaged.¹⁷⁹

Compartmentalization Policy

One of the most unusual duties assigned to the District's CIC Detachment was that of furnishing bodyguards for key Manhattan scientific leaders. CIC personnel accompanied J. Robert Oppenheimer, Ernest Lawrence, Arthur Compton, and Enrico Fermi almost continuously. They accompanied other scientists at intervals, when they were at work on projects that required their special protection. Col. Marshall had originated the idea of bodyguards, suggesting that they serve also as drivers, to conceal their true function and to reduce the likelihood of accidents. Compton's bodyguard, a former Chicago policeman, traveled with him in the guise of a special assistant. When Compton was in residence at Oak Ridge, his guard served as a member of the local police force. District security officials exercised considerable care in selecting individuals for bodyguards, seeking those who had demonstrated ability to adapt themselves readily to the kind of

situations in which scientists were likely to be involved.¹⁸⁰

Even though District security officials had planned and implemented a multifaceted security system to protect all aspects of project operations and developments, they fully realized that maintenance of total secrecy in such a vast project was unlikely. What was more feasible, they believed, was to prevent leakage of any useful knowledge of the program's special scientific concepts, industrial techniques, and military objectives or, in Army parlance, safeguarding military information.¹⁸¹

Under the provisions of Army security regulations, the basic responsibility for the protection of classified information rested upon "all military personnel, civilian employees of the War Department, and the management and employees of all commercial firms engaged in classified work or projects for the War Department."¹⁸² In applying this principle to the atomic program, District security officials placed particular emphasis upon limiting the amount of classified information permitted to any single individual or group of individuals. District security regulations established two basic rules, which were to "govern the right to possess classified information;" a person must need the information in order to carry out his job and have access only to the amount of information "necessary for him to execute his function." To make doubly certain an individual employee was restricted to "the minimum necessary for the proper performance of his duties," District regulations further directed that "employees... shall be organized into small working groups or teams so far as possible, each working on its own phase of the job and not being permitted to inspect or discuss the work being done by others."¹⁸³

This compartmentalization policy became a far more pervasive influence in the project after the Army assumed full responsibility for its administration. Where the OSRD had applied compartmentalization primarily to research and development organizations, the Army incorporated it into virtually every type of activity undertaken by the project. Typical was the District's insistence that production plant blueprints be broken down and distributed in such a way as to reveal as little as possible to any one individual about

the overall character of the project. Similarly, the District required that equipment orders to commercial firms specify that an item not be manufactured and assembled at the same location. And when the production plants reached the point of startup operations, plant managers received instructions to split up orders for raw materials among a number of suppliers so that the purpose for which they were being used could not be readily ascertained.

While project leaders agreed that some compartmentalization of information was necessary, considerable difference of opinion prevailed on the extent of limiting scientific and technical interchange, both between sections functioning within a laboratory or plant and between the various interrelated installations of the project. Military administrators, in contrast to their civilian counterparts, favored the enforcement of stricter controls. These generally took the form of written agreements covering those organizations and installations that needed to exchange data. The agreements specified in detail how and what information could be interchanged. Inevitably, occasions arose when developments required interchange of classified information not covered in agreements. In such instances, project leaders applied directly to the district engineer or to Gen. Groves for special permission to exchange the data needed.¹⁸⁴

One of the most important interchange arrangements formed occurred in June 1943, when Gen. Groves met with Compton and Oppenheimer for the purpose of establishing “the principles which should govern the interchange of information between the Chicago [Metallurgical Laboratory] and Los Alamos projects....” As a basic criterion determining what information should be interchanged, they set up the test that only data that would “benefit work at both Chicago and Los Alamos” should be exchanged. The agreement that resulted spelled out, in considerable detail, exactly what information could and could not be interchanged (the latter included those categories relating to production piles, military weapons, and the time schedules of various developments); designated by name those individuals at each installation who were qualified to carry on interchange; and outlined exact procedures of exchange—by formal reports, secret correspondence,

or visits and conferences. On the most sensitive matters, or where there was serious doubt about interchange, the only channel of exchange was through a visit to the Chicago laboratory by either Oppenheimer or a specifically designated group leader. Although negotiators of the agreement must have been aware of the generally restrictive character of its provisions, they nevertheless emphasized that its major objective was “to maintain as rapid and effective interchange of information as possible.”¹⁸⁵

Compartmentalization of information probably aroused more adverse criticism—both from participants in the atomic program and from some of those who, in retrospect, have reviewed its history—than any other single aspect of the project’s security system. Among the participants, the most vociferous critics were the scientists, accustomed to working in college and university laboratories where they could freely interchange the results of their work with scientific colleagues in all parts of the world. Project scientists, such as Leo Szilard, held that over-compartmentalization was a primary cause of extended delays in achievement of scientific and technical objectives of the program. Testifying before a committee of Congress after the war, he asserted, for example, that “compartmentalization of information was the cause for failure to realize that light uranium U235 might be produced in quantities sufficient to make atomic bombs.... We could have had it eighteen months earlier. We did not put two and two together because the two two’s were in a different compartment....”¹⁸⁶ On another occasion he contended also that compartmentalization was not really “too successful” because “significant matters gradually leak through anyway.”¹⁸⁷

Joining Szilard in condemning compartmentalization in the strongest possible terms was Edward U. Condon, the prominent American physicist who had come to the atomic project from the Westinghouse Research Laboratories. In fact, after spending only a month at Los Alamos, Condon came to the conclusion that he would be of more use to the war effort at Westinghouse than at the New Mexico laboratory. The project’s security policy, he asserted, had a morbidly depressing effect on him. “I feel so strongly,” he continued, “that this policy puts you in the position of trying to do an extremely

difficult job with three hands tied behind your back that I cannot accept the view that such internal compartmentalization is proper.”¹⁸⁸

Most other contemporary critics took a somewhat less extreme position. Concerned about insufficient interchange of data among atomic project scientists causing delays in the solutions of problems related to bomb development, Compton suggested to the OSRD S-1 Committee in December 1942 that it might be wise to increase the number of “responsible persons who are free of compartmentalization....”¹⁸⁹ Similarly, in June 1943, physicist Richard C. Tolman, in his role as Groves’s scientific adviser, expressed concern that the “proposed regulations to govern interchange between the Chicago and Los Alamos scientists were perhaps not quite as liberal as may later prove warranted.” In the weeks following the institution of these regulations, both Oppenheimer and Edward Teller, who was working on a part-time basis at Los Alamos, were troubled by what they viewed as inadequate liaison channels between the New Mexico laboratory and the other installations where related work was in progress.¹⁹⁰

When British officials and scientists came to the United States in late 1942, they were surprised to learn that Gen. Groves planned further compartmentalization, which many of them viewed as already having been applied to an extent that made efficient operation impossible. Furthermore, the British soon found that the Americans used the policy as a convenient excuse for withholding information. Thus, the policy became intermeshed with the whole question of interchange with the British, a problem that was resolved only after many months of negotiation.¹⁹¹

By early 1944, most project personnel had come to accept the policy as a fact of life. In looking back after the war was over, even some scientists who had found compartmentalization so distasteful grudgingly conceded it had probably been necessary. The eminent American (German-born) physicist James Franck, for example, while speaking at a conference on atomic energy at the University of Chicago in September 1945, concluded that “so far as secrecy is concerned, the Army officers were unrelenting and, in all honesty, we have to admit that they had to be.” But, he went on to remind his listeners that the policy

had exacted a “stiff price” in the “wasting of talent and scientific manpower and the loss of precious time.”¹⁹²

From the military point of view, compartmentalization was precisely what was required, both for security and for achieving the most efficient functioning of scientists and technologists. As Gen. Groves expressed his conviction in retrospect:

“Compartmentalization of knowledge, to me, was the very heart of security. My style was simple and not capable of misinterpretation—each man should know everything he needed to know to do his job and nothing else. Adherence to this rule not only provided an adequate measure of security, but it greatly improved overall efficiency by making our people stick to their knitting. And it made quite clear to all concerned that the project existed to produce a specific end product—not to enable individuals to satisfy their curiosity and to increase their scientific knowledge.”¹⁹³

The District’s policy of compartmentalization of information on the atomic project, in Groves’s words, applied “to everyone, including members of the Executive Department, military personnel and members of Congress.” No one was to have access “solely by virtue of his commission or official position.” Adherence to this policy was possible as long as Manhattan’s funding came from sources already earmarked for the War Department. But project leaders anticipated considerable trouble in the future, because securing new funds would entail congressional authorization.¹⁹⁴

By early 1944, the compartmentalization policy was becoming less and less feasible with Congress because of the increasing size of the program, its rapidly rising cost, and the need to begin planning for its postwar administration. Under the original directive from the President, the atomic program obtained funds from the money appropriated under the Engineer Service-Army budgetary category. Funds from this source sufficed as long as Manhattan’s budgets remained relatively modest. But when project leaders estimated that the program would need at least \$600 million for fiscal year (FY) 1945, they decided they would have to find a way to

provide some information to selected members of Congress who had a need to know. They consulted with President Roosevelt, who thereupon directed that Stimson, Bush, and Gen. Marshall brief the leaders of both parties in the House and the Senate.¹⁹⁵

On 18 February, Stimson, Bush, and Marshall went to the office of Speaker of the House Sam Rayburn, where they were joined by Majority Leader John W. McCormack and Minority Leader Joseph W. Martin, Jr. Stimson outlined the history of the atomic project, including its cost to date and estimated the total amount needed to complete it; Bush described the project's scientific background and indicated the likely destructive power of an atomic weapon; and Marshall discussed the potential role of atomic bombs in the Allied strategy for winning the war. The legislators pledged their unreserved support, stating that they viewed its high cost as well worth the price. They promised to work out a system for handling the Manhattan appropriations in committee so that there would be no danger of disclosure of their purpose. Bush found that the "entire meeting was most reassuring, as it was quite evident the three congressmen were exceedingly anxious to be of aid to the War Department in carrying a very heavy responsibility."¹⁹⁶

In June, Stimson, Bush, and Maj. Gen. George J. Richards, the War Department budget officer who was substituting for Marshall while he was out of town, repeated the briefing for the leaders of the Senate. Present were Majority Leader Alben W. Barkley and Minority Leader Wallace H. White, as well as Chairman Elmer Thomas and Senior Minority Member Styles Bridges of the military subcommittee of the Senate Appropriations Committee. Stimson recalled that "the four gentlemen who met with us were very much impressed. They promised that they would help and keep absolute silence about it and prevent discussion in public as to what it was about."¹⁹⁷

During the remaining months of 1944, congressional leaders succeeded in keeping the vast majority of the members of Congress ignorant of the atomic project. Accustomed to wartime restrictions, most members were willing to accept—without protest—the assurance of their leaders that the work

was secret and that the needed appropriations were essential to the war effort. But for a few members this policy was unacceptable, and they directed individual inquiries to the War Department about rumored developments at the atomic sites.

A case in point was Congressman Albert J. Engel of Michigan, a member of the House Appropriations Committee, who in February 1945 was unwilling to accept automatically the War Department's request for FY 1946 funding from money appropriated under the Expediting Production budgetary category. In a visit to Under Secretary Patterson on the 24th, the Michigan representative stated that he had heard rumors of extravagance and waste and that he wanted more information before approving the War Department's FY 1946 funds. Remembering that in late 1943 War Department officials had dissuaded him from making a proposed trip to the Clinton site, this time he firmly insisted that Patterson allow him to inspect the atomic installations. When Stimson heard from Patterson of Engel's insistence upon visiting project facilities, he sought assistance from the leaders of the House of Representatives. As Speaker Rayburn was away, Stimson turned to Congressman John Taber of New York, another member of the Appropriations Committee. He and Taber sat down with Engel and persuaded him to forgo objections to funds on the floor of the House, but only after promising him an opportunity to visit some "outside installations" of the project.¹⁹⁸

This experience convinced the Secretary of War and the Manhattan commander, as well as other project leaders, that more and more members of Congress would be demanding current information about Manhattan's activities. Consequently, they arranged to have a selected delegation from each House visit Clinton and, if they wished, also Hanford. With the President's approval for this plan, Groves and Stimson, accompanied by the Secretary's aide, Col. William H. Kyle, visited Clinton on 10 April to prepare "for future trouble with Congressmen."¹⁹⁹

Upon the unexpected death of Roosevelt on the twelfth, the inspection trip to Clinton was delayed, but only temporarily. In May, after President Truman had given his assent, Speaker Rayburn helped select five members from the House Appropriations

Committee—Clarence Cannon, the chairman, George H. Mahon, J. Buell Snyder, Engel, and Taber. Under the careful guidance of the Manhattan commander and the district engineer, the five congressmen spent two days inspecting the Clinton Engineer Works. The legislators returned to Washington convinced that public funds had been well spent and prepared to support the project's budgetary requests for FY 1946. A visit by a comparable Senate delegation to inspect atomic facilities was not feasible until after V- J Day, when a group from the upper house toured the Hanford Engineer Works.²⁰⁰

Administrative Aspects

As security requirements increased, the Army established a variety of units to administer its highly compartmentalized information security program. By necessity, the program from about late 1942 up until the District's major intelligence and security reorganization in early 1944 was limited in scope. Faced with a rapid influx of new personnel, both civilian and military, the District's Protective Security Section concentrated chiefly on developing ways for instructing them in the meaning of classified information and the correct methods for handling it. To facilitate this education process, the small staff hurriedly prepared and distributed a manual that provided a "statement of District policy regarding Protective Security procedures," including an extensive section on safeguarding classified information.²⁰¹

An intensification of protective measures during the first half of 1943 resulted in the establishment in August of the Plant Security Section for Safeguarding Military Information (SMI). In an effort to assure attainment of the desired security objectives, the SMI staff developed a new intelligence bulletin. This bulletin, issued in November, set forth in detail the requirements and procedures for safeguarding military information, emphasizing that "matters of vital importance to the government must be protected at all times whether at war or at peace...and thus great caution must be exercised in the handling and in the dissemination of *all* information—written or oral—relative to this Project at any time."²⁰²

By early 1944, consolidation of the District's intelligence and security facilities opened the way

for a more comprehensive information security program and the establishment in May of a separate SMI Section (redesignated SMI Branch in 1945, when organizationally restructured as a subordinate unit of the District's Intelligence and Security Division). Under the expanded program, security officials launched studies of all aspects of the atomic project—equipment, material, products, processes, operations, administrative matters—to determine the appropriate classification for their mention in correspondence and other documents. They set up codenames (some already in use) for major sites, important materials, items of equipment, and even for the more widely known scientists working on the project. Under this scheme, for example, Los Alamos became Site Y., plutonium became 94, the implosion bomb became Fat Man, and scientist Arthur I. Compton became A. H. Comas. Using the staff and resources of the SMI Section, District authorities directed attention to those areas where security leaks were most likely to occur. Thus, the section regularly reviewed project correspondence with other government agencies, such as the Selective Service concerning deferment of key personnel, and advised on the security classification that should govern each of the thousands of contracts that the District negotiated with outside individuals and firms.²⁰³

The establishment and maintenance of effective adherence to security requirements among the project's thousands of contractor organizations comprised one of the most challenging and complex aspects of the information security program. District authorities oversaw contractors' security activities through several channels. The branch intelligence offices in principal cities throughout the United States provided a convenient point of contact, and periodic checks of contractor facilities and operations by security inspectors from District headquarters constituted a second avenue of control. These inspectors particularly observed methods of handling classified materials and storing documents. District security officials also investigated contractors' personnel recruitment programs, written correspondence, stock registration statements to the Securities and Exchange Commission, and similar activities in which security leaks were likely to occur. Finally, when a contractor terminated his contract with the atomic program, District security officials made

certain that all classified materials were returned to project control or that the contractor provided for their adequate protection.²⁰⁴

Security problems involving firms under contract most frequently arose where these organizations were carrying out large-scale development of project facilities. Such development, as at the Clinton and Hanford sites, inevitably brought overcrowding of local housing, acute labor shortages, greatly increased road traffic, and other adverse changes that placed a severe strain on normal community activities. The resulting public resentment, generally focused on the contractor firms, created an environment in which threats to security were more likely to occur. In the spring of 1943, for example, Du Pont's effort to arrange for housing and other facilities for the thousands of employees who would work on the Hanford project stirred up resentment in surrounding communities, already aroused by the Army's land acquisition program. The spread of rumors, adverse criticism in the local newspapers, and unfounded statements by local officials tended to draw widespread public attention to the project, posing a serious threat to security. Lt. Col. Franklin T. Matthias, the Hanford area engineer, and members of his staff spoke at meetings of service clubs in communities adjacent to the project, in an endeavor to counter the rumors and misinformation concerning Du Pont's role in the project. By these and similar efforts they laid the groundwork for obtaining the support and good will of the local citizenry—an absolute essential to maintaining the security of the project.²⁰⁵

Efforts to maintain good community relations was an important aspect of the District's information security program, which had as its prime objective the forestalling of security breaks, first by anticipating them and second by teaching project personnel how to be "instinctively alert-minded and security-wise." Although the SMI Section had primary responsibility for carrying out the program, employee education in security matters devolved chiefly to the SMI staffs at the branch intelligence polices. Each staff, for example, conducted orientation and refresher sessions for Corps of Engineers personnel; provided each contractor with instructional materials for in-house security education briefings for its personnel; and used

a variety of media—training films, circulars and handbills, payroll inserts, telephone stickers, and editorials in project newspapers—to remind District employees of the importance of unremitting attention to the demands of security.²⁰⁶

Because of the policy of compartmentalization, the quantity and variety of educational subject matter available for training purposes was limited. Most workers had knowledge of only the project activity under way at the site where they were employed and most generally did not even know exactly what was being made in the facility where they worked. And even in some instances, project officials had concocted for employees—those working at the electromagnetic plant—a plausible but inaccurate and misleading explanation of the process involved and the product produced, with the warning that this information was given to them only to help them carry out their jobs. Lacking concrete data on which to base an appeal to employees, security officials had to request that they accept the necessity for strict adherence to secrecy largely on faith and out of a sense of patriotism and loyalty to the men on the fighting fronts.

As did most wartime agencies involved in secret work, the Manhattan District resorted to censorship of various kinds as a means of safeguarding classified information. In the first few months after the Army assumed responsibility for the atomic program, the District and branch security staffs began a cursory review of a few leading daily newspapers and periodicals and gradually enlarged this check of publications until it covered some 370 newspapers and 70 magazines. The censors, several of whom were Women's Army Corps members, were particularly on the lookout for publication of anything that would reveal classified information, attract attention to the project, or furnish an enemy agent or anyone else with knowledge sufficient to determine the nature of the project.²⁰⁷

While review of newspapers, periodicals, and other publications provided some protection against damaging revelations about the project, the fact remained that once such information appeared in print an element of secrecy was lost. Much more effective was a system that prevented publication of sensitive

information. Under the Office of Censorship's "Codes of Wartime Practices for the American Press and American Broadcasters," newspapers, periodicals, and radio broadcasters voluntarily agreed to refrain from discussing certain specified subjects and mentioning certain terms. In February 1943, Vannevar Bush proposed that the atomic energy program be brought under this voluntary censorship. At first, both Gen. Strong, the Army intelligence chief, and Gen. Groves had serious reservations about making the atomic energy project subject to this censorship arrangement, fearing that the results "might be more detrimental than otherwise."²⁰⁸

Finally, military leaders reluctantly agreed to the voluntary press censorship plan, persuaded primarily by the insistence of Nathaniel R. Howard, assistant director of the Office of Censorship and a former editor of the *Cleveland News*, that this was the only way to maintain press security of the project. On 28 June 1943, Byron Price, director of the Office of Censorship, sent out a special request to all editors and broadcasters that they extend the previously issued precaution not to publish or broadcast anything about "new or secret military weapons or experiments" to include:

Production or utilization of atom smashing, atomic energy, atomic fission, atomic splitting, or any of their equivalents.

The use for military purposes of radium or radioactive materials, heavy water, high voltage discharge equipment, cyclotrons.

*The following elements or any of their compounds: plutonium, uranium, ytterbium, hafnium, protoactinium, radium, thorium, deuterium.*²⁰⁹

The aim of censorship was to prevent all mention of the atomic program in the American press; however, on the advice of the Office of Censorship, the District permitted a limited amount of information about certain aspects of the project to appear in newspapers published in communities near the Clinton and Hanford sites. Office of Censorship officials pointed out that complete suppression of information about activities at these locations would actually draw more attention than a policy of judicious release of news of local interest, carefully controlled

so as not to reveal any vital secrets. They cited as an example the land acquisition at Hanford, which required relocation of many people and resulted in court proceedings. Stories on these events in newspapers of the Washington-Oregon region would not violate essential security as long as they did not reveal the purpose of the acquisition or the interconnection of the Hanford project with other parts of the atomic program. Gen. Groves assented to this policy but took the added precaution, suggested by Office of Censorship officials, of having Manhattan District representatives visit the editors or publishers of local newspapers and operators of local radio stations to request their cooperation in maintaining the security of the project.²¹⁰

At Los Alamos, security authorities endeavored to keep all mention of the site and its activities out of the press. Total exclusion was more feasible at the New Mexico installation because of its military administration and geographic isolation from surrounding communities. The policy was reinforced in late 1943 through the use of regular mail censorship and other measures to minimize the likelihood that knowledge of the site would come to the attention of the press.²¹¹

It was inevitable that a voluntary censorship system would not be totally effective, and, on those occasions when some reference to the project or atomic energy occurred in the press or on the radio, the District Security Office and the Office of Censorship took immediate steps to limit its circulation and to run down its origins. A rash of censorship violations occurred in late 1943. A columnist in the *Washington Post* announced that the Senate's Truman Committee was about to investigate a "half-a-billion dollar" War Department project in the state of Washington that was "reported to be one of the largest single projects that's to be built from scratch in the Nation's history." On the same day the *Post* article appeared in the *Spokane Spokesman Review*, and soon thereafter the wire services picked up the news item. Almost simultaneously, several newspapers in Tennessee ran a story on the state's Selective Service that contained a passing reference by the head of the service, Brig. Gen. Thomas A. Frazier, to "the Clinton Engineer Works in secret war production of a weapon that possibly might be the one to end the war." In both

instances, prompt action by the Office of Censorship led to withdrawal of the articles before they had received wide circulation. Subsequent action by the War Department resulted in tracing down the sources of the leaks and in implementing improved security measures to prevent such occurrences in the future.²¹²



Poster used by isolationists to maintain the US policy of neutrality at the beginning of World War II.

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IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

COUNTERINTELLIGENCE IN WORLD WAR II
1940-1947

1940	5 January	Navy establishes, in New York, a cover operation to conduct clandestine collection with a worldwide network of operatives and observers (Phillip's organization).
	21 May	President Roosevelt authorizes the FBI to conduct warrantless electronic surveillance of persons suspected of subversion or espionage. Surveillance is to be limited insofar as possible to aliens.
	5 June	FBI-MID-ONI "Delimitation Agreement" further specifies the division of labor in domestic intelligence work.
	24 June	FBI Special Investigations Service (SIS) is formed.
	28 June	The Alien Registration Act (the "Smith Act") criminalizes conspiracy to overthrow the government, requires resident aliens to register, report annually, and provide notice of address changes.
	28 June	Delimitation Agreement signed by War Department, Office of Naval Intelligence and FBI for coordination of activities.
1941	14 May	Military Intelligence Division, Office of Naval Intelligence and FBI adopt "Third Agency Rule"; no intelligence collected by an agency is to be disseminated outside its own agency. Rule does not apply to already established exchanges of information.
	June	KGB codebook and an emergency cipher system obtained by Finns.
	22 June	Germany invades Russia.
	29 June	FBI arrests 29 German military intelligence agents, crippling Germany's clandestine operations in the United States.
	11 July	Coordinator of Information (COI) established by President Roosevelt to collect and analyze all information bearing on national security.
	1 September	A separate Censorship Branch is created in Army's Military Intelligence Division.
	6 September	Army Chief of Staff requests the Secretary of War to approve placing the War Department's undercover intelligence services under COI.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

COUNTERINTELLIGENCE IN WORLD WAR II
1940-1947

1941	10 October	Donovan informs the President that the Military and Naval Intelligence Services consolidated their uncover intelligence under the COI.
	7 December	Japanese aircraft attack Pearl Harbor; America enters the war.
	19 December	Office of Censorship created by Executive Order.
1942	5 February	Interdepartmental Committee to consider cases of subversive activity on the part of federal employees established.
	19 February	Presidential Order relocates West Coast Japanese.
	20 February	Through a German double agent, the FBI established radio contact between Long Island, New York, and Hamburg, Germany, and supplied the German intelligence agency with false information up to May 2, 1945, when British forces captured Hamburg.
	20 March	MID's Special Branch begins producing daily "Magic Summaries" analyzing foreign diplomatic messages for the White House and Senior and senior military commanders.
	30 March	Donovan writes to Roosevelt seeking approval of a proposal to have the Joint Chiefs of Staff and COI work more closely together.
	29 May	Registration of foreign agents transferred from Department of State to the Attorney General.
	13 June	Office of Strategic Services is formed and Coordinator of Information is abolished.
	25 June	US Navy drops its Soviet diplomatic SIGINT program and turned it over to the Army.
	27 June	FBI announces arrest of 8 German saboteurs who landed on Long Island. Six are electrocuted and two get long prison terms.
	30 June	Interagency agreement divides signals intelligence duties: Navy assigned to handle naval codebreaking; the US Army's Signals Intelligence Service to handle diplomatic and military traffic; and the FBI works clandestine radio communications.
	8 July	President Roosevelt bars all agencies except the FBI and the armed services from code-breaking activities. The services interpret this directive as authorization to deny signals intelligence to OSS.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

COUNTERINTELLIGENCE IN WORLD WAR II 1940-1947

1942	23 November	US Senate Committee approves bill to extend federal censorship between the United States and possessions and foreign countries.
	2 December	Enrico Fermi secretly accomplishes a controlled nuclear fission reaction at the University of Chicago gym; in a coded message he informs FDR: "The Italian navigator has entered a new world."
1943	3 January	The Dies Committee on Un-American Activities given permanent status.
	1 February	US Army's renamed Signal Security Agency (SSA) formally begins work on Russian diplomatic traffic.
	1 March	Donovan creates a counterintelligence section in OSS, designated X-2 and appoints James R. Murphy as its chief.
	31 March	X-2 has opened an office in London to conduct liaison with British intelligence.
	10 April	KGB New York resident Vassili M. Zarubin meets CPUSA official Steve Nelson in Oakland and discusses espionage.
	1 May	Development of the atomic bomb transferred to the Army; project becomes known as Manhattan Project.
	20 May	Communist International (COMINTERN) dissolves.
	July	X-2 sets up a Watch List Unit to collect information on all known or suspected agents.
	7 August	FBI receives an anonymous Russian letter naming Soviet intelligence officers in North America.
	October	The first breakthrough in VENONA decryption comes with the discovery of weaknesses in the Soviet cryptographic system.
	31 October	San Francisco KGB residency acknowledges the receipt of a new codebook.
1944	17 December	Quotas replace Chinese exclusion immigration law.
	May	Donald Maclean arrives in Washington as Second Secretary of the British Embassy.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

COUNTERINTELLIGENCE IN WORLD WAR II
1940-1947

1944	August	Klaus Fuchs begins work at Los Alamos, New Mexico and transfers information about the A-bomb to Harry Gold.
	November	SSAs Cecil Phillips discovers the new KGB indicator, which is then used to detect “key” duplicated in Trade messages.
	18 November	Donovan suggests to the President that consideration be given to establishing an intelligence organization for the post-war period.
	December	OSS purchases Soviet code and cipher material from Finnish sources; the Roosevelt administration orders the material returned to the Soviet Embassy in Washington.
	15 December	The War Department transfers operational control of SSA from the Signal Corps to MID.
1945	January	David Greenglass, Julius Rosenberg’s brother-in-law, gives Rosenberg information on the A-bomb while Greenglass is on leave from Los Alamos.
	April	Andrei Gromyko nominates Alger Hiss to be temporary Secretary General of the UN.
	12 April	President Roosevelt dies. Harry Truman sworn in as his successor.
	27 April	A US Army Intelligence Committee (TICOM) team finds Russian code and cipher material in a German Foreign Office cryptanalytic center in a castle in Saxony-Anhalt.
	8 May	Germany surrenders.
	16 July	The Manhattan Project detonates the world’s first nuclear explosion, at Trinity, in New Mexico; Soviet agents had warned Moscow in advance.
	15 August	Japan capitulates.
	2 September	Formal end of World War II.
	2 September	Termination of military censorship within the US Army both at home and abroad.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

COUNTERINTELLIGENCE IN WORLD WAR II 1940-1947

1945	6 September	The War Department authorizes merger of SSA with selected Signal Corps units to form the Army Security Agency (ASA), under MID.
	7 September	Igor Gouzenko, code clerk at the Soviet Embassy, defects to Canada with documents which reveal a major Soviet espionage ring in Canada.
	12 September	US-UK signals intelligence Continuation Agreement extends wartime cooperation in this field.
	25 September	First Eberstadt Committee report proposes creation of intelligence agency and national security council.
	1 October	President Truman disbands the OSS; Research and Analysis function given to Department of State, remainder to Strategic Services Unit, War Department.
	31 October	Office of War Information abolished.
	November	Elizabeth Bentley tells the FBI about her activities as a courier for Soviet espionage rings, leading to follow-up of Whittaker Chambers charges made in 1939.
	7 November	Elizabeth Bentley interviewed at length for the first time by FBI agents about her work for the KGB.
1946	January	USSR recognized as main target of US intelligence interest.
	22 January	Central Intelligence Group set up by presidential directive. Souers named DCI.
	23 February	Secretary of War approves revisions in instructions for handling subversive and disaffected Army personnel. Directs preparation of files on known or suspected subversives and names MID as central office of record.
	March	The first US post-war spy case is brought with the arrest of a Russian, Lt. Redin, in Portland, OR. Charged with espionage and buying "secret" information about the Bikini Island atomic bomb tests from a British Secret Service maritime engineer, he is acquitted.
	4 March	Allan Nunn May, British physicists involved in Atomic Research, arrested.

IMPORTANT DATES AND COUNTERINTELLIGENCE EVENTS

COUNTERINTELLIGENCE IN WORLD WAR II
1940-1947

1947	January	US Chamber of Commerce publishes <i>Communists Within the Government: The Facts and the Program</i> , warning of “Communist infiltration.”
	5 March	Army Intelligence Division advises field commands that, within policy limits, reports on trends and conditions relating to strikes, racial disturbances and other disloyalties, that may threaten the armed forces, are needed.
	21 March	Executive Order 9835 tightens protections against subversive infiltration of the US Government, defining disloyalty as membership on a list of subversive organizations maintained by the Attorney General.
	16 June	House Un-American Activities Committee (HUAC) begins hearings on Hollywood communists. Indicts 10 Hollywood figures for contempt. A Hollywood blacklist of alleged Communist sympathizers includes 300 writers, directors, and actors.
	26 July	The National Security Act is passed. It establishes the National Security Council (NSC), the Director of Central Intelligence (DCI) and the Central Intelligence Agency (CIA).
	1 September	Col. Carter Clarke briefs the FBI’s liaison officer on the break into Soviet diplomatic traffic.
	16 September	Official separation agreement reached between Army and Air Force relative to their respective responsibilities for conducting CI within the Zone of Interior.
	18 September	The Central Intelligence Agency is established.
	26 September	First meeting of the National Security Council.
	12 December	NSCID-5 reiterates but qualifies DCI’s counterespionage authority to avoid precluding certain “agreed” FBI and military counterintelligence activities.